

# Shultz Says Pretoria Must Enact Reforms Or Face Revolution



**George P. Shultz**

By Bernard Gwertzman  
New York Times Series

**NEW YORK** — South Africa's apartheid system is "doomed," according to Secretary of State George P. Shultz, and efforts must be made to reach political compromise before a violent revolution overthrows the white minority government.

Otherwise, Mr. Shultz warned Wednesday night, "the black majority might likely wind up ex-

South Africa restricts the remission of profits or income to non-residents.

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# U.S. Strategy Shifts to Back Latin Growth

**By Alan Riding**  
*New York Times Service*

**RIO DE JANEIRO** — The Reagan administration's decision to promote a new strategy to deal with Latin America's debt marks a turning point in the region's three-year financial crisis, according to foreign bankers and government officials here.

They said Wednesday that Washington now accepted the Latin American contention that growth-oriented policies would enable the region to meet its huge debt obligations more effectively than the austerity programs demanded until now by the International Monetary Fund.

The announcement, said the

"This is the first new approach that we've seen since the debt crisis began," a Brazilian official said. "It's still too early to know whether it will be radical enough, but it nonetheless marks a significant shift in U.S. thinking."

Evidence of this came Tuesday when the Treasury secretary, James A. Baker 3d, and Paul A. Volcker, the chairman of the Federal Reserve Board, called in the heads of five major U.S. banks to brief them on the administration's plans and to urge cooperation. Until now, Washington has regarded the IMF as the main intermediary between debtor nations and their commercial creditors.

Banking sources said the United States initiative involved de-emphasizing the "policing" role of the IMF and using the World Bank as well as commercial banks to provide new resources that would permit Latin America's main debtor countries to resume economic growth.

Officials who will be among finance ministers and central bank governors attending the 40th annual meeting of the IMF and World Bank in South Korea.

Officials here said they first perceived a change in U.S. policy last week after the United States Secretary of State George P. Shultz congratulated Mr. Sarney for his efforts to stabilize the Brazilian economy. The United States also now favored growth.

But well-placed U.S. bankers said that the real turning point apparently came July 28, when Mr. Sarney said that he would accept

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## INSIDE



**Mikhail S. Gorbachev, left, with Prime Minister Laurent Fabius in Paris.**

## While Watched by FBI, Ex-CIA Man Escaped

**By Stephen Engelberg**  
*New York Times Service*

**WASHINGTON** — A former officer of the CIA, identified as a double agent working for the Soviet Union, has disappeared while under surveillance by the FBI, according to law enforcement officials and intelligence sources.

The sources said Wednesday that the former Central Intelligence Agency officer, Edward L. Howard, used the cover of a moonless night to elude agents of the Federal Bureau of Investigation watching his home in a remote area of Santa Fe, New Mexico.

Officials said Mr. Howard was identified as a double agent by Vitaly Yurchenko, a Soviet intelligence officer who defected to the West in July.

Howard worked for the agency from January 1981 to June 1982. It was not clear how Mr. Howard learned he was a suspect in case.

The search was the first pursuit of fallout from the defection of Mr. Yurchenko, a KGB officer who came over to the West with an assignment in Rome under Soviet diplomatic cover.

One law enforcement official said that the Howard case was the FBI's surveillance of Howard was intended to "contain" him or prevent his flight, cause no legal proceeding had begun against him at the time, first came under surveillance.

"This man was a trained agent said the official. "It was a moonless night and he carefully picked time to leave."

However, a Kefauver administration official said Wednesday night that Mr. Howard did not begin providing information to the Soviet Union until after he left the CIA. The official said such actions could be damaging, but would not be a serious security breach as the recruitment of an active CIA employee.

[Sources told The Washington Post that the FBI had identified a second former CIA officer, apparently named by Mr. Yurchenko, who had not fled the United States, but that it had not yet taken action against him.]

Meanwhile, the FBI said Wednesday night that a warrant had been issued for Mr. Howard's arrest charging him with espionage in conspiring to deliver "national defense information" to a foreign government. The FBI said Mr.

"It was a loose surveillance," an official said. "To imply that there was a muff is not accurate. The men were not under orders to stay with him at all costs."

While some CIA employees have sold stolen classified documents, CIA intelligence operatives, there is no record of a CIA employee working on a continuing basis for Soviet intelligence.

Double agents who spend years establishing themselves in a military intelligence agency are called "moles" in espionage jargon. The question whether the CIA has been penetrated by a Soviet mole has long been a subject of heated dispute in the American intelligence community.

An intelligence source said earlier this week that Mr. Howard was thought to have fled the United States after he abruptly resigned.



**Edward L. Howard**

Sept. 22 from his job as an economics aide to a legislative finance committee in the New Mexico legislature. He took that job after he left the intelligence agency.

Friends and co-workers said they were stunned by reports that Mr. Howard had provided intelligence information to the Soviet Union. They described him as a politically conservative, hard-working family man whose only major mistake was his erst last year on charges of aggravated battery.

The arrest came after Mr. Howard threatened three men with a gun following a confrontation in a New Mexico bar, officials said. He was convicted and placed on probation for five years. According to associates, Mr. Howard was a gun enthusiast.

[Mr. Howard was an air force officer's son and a former Peace Corps volunteer. The Washington Post reported Wednesday.]

Administration officials have said that Mr. Howard held an operational post with the CIA. According to The Associated Press, State

(Continued on Page 2, Col. 3)

## Legal Lotteries: A Tyranny of Numbers

## Though a Dressing for State Treasures in the U.S., Addicts Pay Deary

By John Hurst  
Los Angeles Times Service

**DETROIT** — Richard Kaczor gazed with forlorn eyes at the pyramid of Michigan State lottery tickets covering his kitchen table. Heaped before him were tens of thousands, perhaps hundreds of thousands of 50 cent and \$1 tickets, tied in worthless bundles.

"What I can't understand, even now," Mr. Kaczor said, "is, 'Why?'"

Mr. Kaczor and his family are lottery losers. Big losers.

Mr. Kaczor has been fired from his job; his wife is in prison; the family is in hopeless debt and in danger of losing its home.

Experts on pathological gambling say that the Kaczor family story and others like it are some of the more tragic consequences of state lotteries.

The Kaczors' troubles began less than two years ago when Mr. Kaczor and Valerie, 32, went on a lottery gambling frenzy that lasted about 18 months. The suburban housewife, whose husband earned about \$20,000 a year, began cashing bad checks and spending hundreds of dollars every day on lottery tickets.

Using a home computer to select the hundreds of numbers to bet, Mrs. Kaczor would occasionally win several thousand dollars and become convinced that she had worked out a computerized probability system to beat the odds.

By the time it was over, she had cashed an estimated quarter of a million dollars in bad checks, had lost most of it on the lottery, spent some of it on luxuries and, on one occasion, had tased her husband and her father into taking her cash bad checks.

Mrs. Kaczor, whom a psychiatrist has diagnosed as a compulsive gambler, is now in prison serving a three-year to 14-year sentence.

Her husband was dismissed from his job of 16 years at a pharmaceutical company after he pleaded guilty to helping his wife cash a worthless money order and was placed on probation. Mrs. Kaczor's father also was put on probation after making a similar plea.

Mr. Kaczor, 39, cannot find a job. He is collecting unemployment benefits, has declared bankruptcy and cannot make the mortgage payments on the family home.

Lotteries are the least common form of betting by compulsive gamblers, experts say, but the number of problem gamblers who play the lotteries is steadily growing.

Experts on problem betting say that what a state creates a lottery it also creates a class of gamblers, a small but significant minority, who become pathological betters. They are a weak painful and expensive havoc on the state, their families and society.

"The real issue is the availability of gambling," said Valerie Lorenz, director of treatment for the National Foundation for Substance Abuse and Treatment of Pathological Gambling, a private, nonprofit agency in Baltimore.

"The housewife, in the past would not gamble," she said. "Now, when she goes to the supermarket, she's going to be able to buy lottery tickets for a dollar, and then she's going to buy more tickets with larger amounts of money. That's the pattern."

A federal judge, Horace Gilmore, who presided over one of the many criminal proceedings against Mrs. Kaczor, said: "I think it is sad case. I seriously think the states ought

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# Gorbachev Unveils Arms Reduction Plan

**By Michael Dobbs**  
*Washington Post Service*

**PARIS**—Mikhail S. Gorbachev launched a major Soviet arms control initiative Thursday by publicly proposing that the United States and the Soviet Union agree to halve their strategic missile forces and negotiate a total ban on the development and deployment of space weapons.

He also called on France and Britain to start talks on reducing

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**Caspar Weinberger** says the U.S. has tracked a missile with a ground-based laser. **Page 3.**

Unveiling his proposals during speech to members of the French parliament, Mr. Gorbachev significantly altered several previous Soviet negotiating positions in an apparent bid to rally West European public opinion behind him before he meets with President Ronald Reagan in Geneva in November.

In Cincinnati, Ohio, Mr. Reagan questioned whether the Russians were willing to destroy nuclear missiles aimed at Western Europe, or simply planned to move them to Asia.

Mr. Reagan also stood firm on

In addition to confirming that Soviet negotiators have already presented a proposal calling for 50-percent cuts in strategic weapons by the superpowers, Mr. Gorbachev made these points:

- Insisting that Moscow could "no longer ignore" the modernization of French and British nuclear arsenals, he called on France and Britain to join the Soviet Union in direct arms talks. Previously, the Russians considered French and British missiles as part of the overall Western total in bilateral arms negotiations with the United States.
- He said that the Soviet Union had "unilaterally" reduced the number of its SS-20 medium-range missiles stationed "in the European zone" and targeted on Western Europe to 243, the June 1984 level. The Dutch government has made a decision on the stationing of U.S. cruise missiles dependent on the number of Soviet missiles targeted on Western Europe.
- The Soviet leader defined the term "strategic forces" in a way that includes U.S. medium-range Pershing-2 and cruise missiles stationed in Europe but excludes Soviet SS-20s with European targets. His formula calls into question the future of the U.S.-Soviet talks on

medium-range missiles at Geneva which were previously linked, at Soviet insistence, with parallel talks on strategic and space weapons.

Mr. Gorbachev said that the realization of the Soviet proposals would result in a substantial step forward to the goal of "prohibition and total liquidation of nuclear arms, the total delivery of mankind from the threat of nuclear war."

"There can be no victors in a nuclear war," he said. "It is time to draw a practical conclusion from this: Stop the arms race."

While advancing no specific new proposals on space weapons systems, Mr. Gorbachev appeared to reject a note of ambiguity in the Soviet stance on arms on the Strategic Defense Initiative by omitting a specific call for a ban on research on space weapons.

This omission occurred again during a news briefing by his press spokesman, Leonid M. Zamyatin, and a senior member of the Soviet negotiating team in Geneva, Yuli I. Kvitsinsky. Mr. Kvitsinsky said that Moscow was prepared to permit "basic research" on space defense systems, excepting a position taken by Mr. Gorbachev in an interview with Time Magazine last month.

Both French and British officials reacted coolly to the Soviet leader's offer for direct talks. In the past, all three countries have refused even to consider such negotiations on the grounds that their independent nuclear forces were insignificant compared to the larger arsenals of the superpowers.

Noting French and British ob-

(Continued on Page 3, Col. 1.)



**A French Jewish World War II veteran tried to protest Thursday as Mikhail S. Gorbachev laid a wreath to war dead. Later, Mr. Gorbachev heard the mayor of Paris criticize the Soviet Union's human rights record. Page 3.**

## Syria Says Pact Signed To End Tripoli Fighting

**Reuters**  
DAMASCUS—A peace accord to end the fighting in Lebanon's northern port of Tripoli was signed by militia leaders Thursday and a cease-fire was due to take effect at midnight, Syrian television reported.

The agreement came three days after the abduction of four Soviet diplomats in Beirut. Callers said the four would be executed unless Syrian-backed forces stopped attacking fundamentalist Moslem forces in Tripoli.

or areas of Tripoli since Saturday against a major assault by several pro-Syrian militias.

Syria, whose troops, tanks and artillery ring the city, authorized the assault after Tawheed rejected an earlier, Syrian-brokered peace accord. Syria said it would arm and allow a joint peacekeeping force of Lebanese and Syrian army troops to enter.

A source close to the Soviet Embassy, meanwhile, said an evacuation order for some of the 150 Soviet citizens in Beirut could be

The body of one of the diplomats was found Wednesday in Beirut. Syria is a close ally of the Soviet Union.

The Soviet chargé d'affaires in Beirut, Yuri Suslikov, said earlier that he was pessimistic about the fate of the other three diplomats, and Soviet sources said that some of all of the Soviet community in Lebanon might be evacuated.

Shortly before the Syrian television report, the Syrian press agency SANA reported that the Syrian President, Hafez al-Assad, and the Tripoli Sunni Moslem fundamentalist militia leader, Sheikh Saïed al-Aaabaan, agreed on a draft accord aimed at halting the Tripoli fighting.

"They discussed necessary means to establish peace and stability," the agency said, adding, "their views were identical over issues and means to deal with the situation in Tripoli."

Sheikh Shaaban's radical Islamic Liberation Movement, or Ta'neeh, has held the port and interi-

minent. An anonymous caller said Wednesday that the embassy compound would be blown up unless evacuated by Friday.

Several Soviet diplomats were seen Thursday accompanied by armed guards, buying audio and video goods at shops near the heavily guarded embassy.

The Soviet source said that Moscow felt helpless to save the remaining hostages and that only Syrian action could save them from sharing the fate of a 32-year-old consular secretary, Arkadi Katkov, who was found shot dead Wednesday.

The other hostages are: Oleg Spirin, 32, an attaché, married with a 5-year-old daughter, who has spent nearly three years in Beirut; Valery Murikov, 37, a commercial representative, married with two daughters, who has been in Beirut for about two and a half years; and Nikolai Svitsky, 40, the embassy physician, who is married with a daughter, who arrived in Beirut four months ago.

## *In Echo of Early Years, Mideast Conflict Shifts Back to Israel, West Bank*

**By Thomas L. Friedman**  
*New York Times Staff*

**JERUSALEM**—The Israeli air strike against the Palestine Liberation Organization's headquarters in Tunis underscores the degree to which the Arab-Israeli conflict has been transformed in the last year.

The conflict, which was once primarily between Israel and surrounding Arab countries, has evolved into a struggle almost exclusively between Israel and the Palestinians, with the Arab countries as spectators.

Although the scene of the latest clash was Tunis, Israel's statements and actions suggest that its motivation for the attack stems from incidents that have been taking place inside Israel and on the occupied West Bank and Gaza Strip.

In the last 12 months, the level

and ferocity of Palestinian attacks against Israelis there have intensified from stone-throwing and turning to abductions and stabbings committed by individual Arabs against individual Jews.

Sixteen Israeli men and women have been killed in such incidents over the past year in Israel, in the occupied territories and in nearby Cyprus. At least 12 others have been wounded.

A substantial percentage of the attacks appeared to have been directed against the U.S. Embassy.

But that is new about the wave of violence, according to Israeli military experts and West Bank Arabs, is that a majority of the attacks in Israel and its occupied territories were initiated locally by individual Arabs who used crude homemade weapons and showed an unusual audacity.

Examples are the recent stab-  
bings in broad daylight of two  
heavily armed Israeli soldiers in  
Jerusalem and the shooting of Israeli  
soldiers at point-blank range in Ra-  
mallah and El Bureh earlier this  
year.

"Why should we delude our-  
selves regarding what's happening  
between us and the Arabs who are  
... the older generation  
as a state, the children

The local origin of the attackers, Schiff said, "proves that the attacks are glowing right here and are always imported from Amman, Beirut, Damascus or Algeria."

While Arab officials in the West Bank publicly condemn the acts of violence against Israelis, some Palestinians are privately applauding the attackers.

...n in the occupied territories ... hate Israel both as Jews

Meron Benvenisti, a former dep-mayor of Jerusalem and the chief Israeli expert on land use in the West Bank, said the Arab-Israeli conflict appeared to be shrinking back to its pre-1948 roots.

In the earlier years, local Palestinians looked to outside forces to

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the brunt of the fight against it. Today they appear to be developing the attitude that they only maintain their hold in the PLO and the Gaza Strip by the initiative themselves. That feeling appears to date from the decline of the PLO as a military force capable of putting pressure on Israel.

**'loathed Israel and as people.'**

"This is a grass-roots reaction," Benvenisti said, "and Israelis have to address themselves to achieving real now—not an encroaching border but one without which is just where the conflict ended 100 years ago."

Destitutions, Israeli academic ex-

and military officials who with the West Bank cited sav-  
sevtors that have helped trans-  
the conflict.

pointed to the rise of a new,  
militant generation of Pales-  
in the West Bank, and the  
and the fact that the war in Lebanon  
ad on that generation. Many  
the actions of the Israeli set-  
the transfer of the PLO head-  
quarters to Amman, Jordan, and  
the release of 600 Palestinian ter-  
ritories into occupied territories  
to the so-called "peace process."

the newspaper Ma'ariv said that  
old generation of leaders, the  
emporaries of King Hussein of  
Jordan, and of Yasser Arafat, the  
leader, "are gradually dying  
and being replaced by young  
is who have grown up and  
opped under Israeli rule."

order to the newspaper, a  
her noted in his doctoral  
ation that while the elder  
nathed Israel as a Jew, he  
n hate Israelis both as Jews  
people."  
old leadership, the newspa-  
dered, favorably compared  
ctions in the territories to  
of the more heavily-hand-  
ed administration, "so to  
do with the lesser of two

for the new generation, the  
said, "There is but one real,  
regime which they encounter  
in and day out, and which  
is forced to confront at every  
conjunction, every movie theater  
and every bridge over the  
River."

younger Palestinians also  
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**INSIDE**

■ **Tunisia asked the UN to condemn Israel strongly for its air raid on the P.L.O.** Page 2.

■ **Toxic chemical accidents occur daily in the U.S., a report says.** Page 3.

■ **Private businesses are thriving in China.** Page 5.

**BUSINESS/FINANCE**

■ **An OPEC meeting broke up as members were unable to agree on production allocations.** Page 11.

**SPORTS**

■ **The New York Mets won again; the Los Angeles Dodgers clinched a title.** Page 19.

**TOMORROW**

**Simone Signoret is remembered as 23 actress, friend and neighbor by Mary Blume.**



## Arafat Says U.S. Helped In Israeli Raid on PLO

By Jonathan C. Randal  
Washington Post Service

TUNIS — Yasser Arafat, the chairman of the Palestine Liberation Organization, said Thursday that U.S. tanker aircraft helped refuel the Israeli Air Force planes that attacked his personal headquarters here Tuesday.

He also said at a news conference that he had left his headquarters to go jogging on the beach only 15 minutes before the Israeli aircraft leveled the complex with bombs and air-to-ground missiles.

Mr. Arafat said that he knew which U.S. base in the Mediterranean was involved in supplying the tanker aircraft but would name it only "at the appropriate time." He declined to explain why he would not name the base now.

Other Palestinian sources have suggested that the Israelis refueled at a North Atlantic Treaty Organization air base in southern Italy.

Quoting from the authoritative British International Institute of Strategic Studies, Mr. Arafat contended that Israel does not own enough tanker aircraft to have conducted the raid without "strategic and operational coordination" with the United States.

He said that eight fighter-bombers escorted the refueling aircraft in addition to the eight that carried out the attack.

Arguing that the U.S. aircraft that he alleged were involved had been lent as "part of the strategic agreement between Israel and America," Mr. Arafat asked: "Can you explain how more than 20 aircraft stay in the air for more than seven hours from takeoff to landing, refueling twice on the way to target, once headed home?"

"Do you want to convince me that the 6th Fleet has not felt the existence of these planes in the air for seven hours?" Mr. Arafat asked, referring to the U.S. 6th Fleet. "The Americans cannot say they didn't know."

Asserting that Israeli officials had said that they had informed the Americans of the planned raid ahead of time, he said the U.S. administration and President Ronald Reagan accepted his attempted assassination although he, as PLO chairman, was the "one who signed the Jordan-PLO peace initiative."

Denouncing the alleged American collusion and Mr. Reagan's implied endorsement of the raid as "absolutely shameful," Mr. Arafat said the Americans were "bombing the peace process."



Neil Kinnock, center, leader of Britain's Labor Party, took a break on Wednesday to sing with members of a miners' choir during a Welsh Night celebration at a Bournemouth hotel.

## Ex-CIA Man Escaped While Under FBI Watch

(Continued from Page 1)

Department records show that Mr. Howard was assigned to the U.S. Embassy in Moscow where his cover was a job as a budget specialist.

**Soviet Intelligence Disaster**  
While disclosures that CIA employees may have been feeding information to the Soviet Union has alarmed U.S. intelligence officials, several of the officials said that Mr. Yurchenko's defection and those of other Soviet intelligence officials in London and Athens represent a

major disaster for Soviet intelligence. The Washington Post reported from Washington.

The KGB "has been hit with an earthquake that's above 8.0 on the Richter scale, and we've been hit with a few hail stones," said George A. Carver, a 26-year CIA veteran who left the agency during the Carter administration.

A former CIA director, William E. Colby, said, "If we had lost three ranking defectors in the last couple of months, we'd be in an uproar."

But other officials said it is far from clear which superpower has suffered the greatest hemorrhaging of sensitive information.

Some intelligence experts suggested that, while Mr. Yurchenko's defection may be a short-term CIA bonanza, the loss of Mr. Yurchenko and other recent Soviet defectors to the West actually represents setbacks for the West, since they can no longer be used to gather information inside the Soviet intelligence establishment.

## Labor Party In U.K. Sets Economic Platform

The Associated Press

BOURNEMOUTH, England — Britain's opposition Labor Party voted Thursday for currency exchange controls and tax penalties on Britons investing abroad, endorsing an economic platform that would turn around the ruling Conservatives' free-market philosophy.

The Labor Party, on the fifth day of its weeklong annual convention, also voted for the first time for a minimum wage for all Britons and the introduction of a 35-hour work-week.

Minimum pay received a two-thirds majority endorsement, meaning it must be part of the party's platform at the next election.

Prime Minister Margaret Thatcher, who must call a general election by June 1988, has chided Britons during six years in office for what she terms pricing themselves out of jobs.

The deputy Labor leader, Roy Hattersley, who outlined the program, said: "We will not solve the chronic crisis of the British economy simply by adjusting demand or tinkering with the exchange rate. We need to change the patterns of ownership and organization."

The program also includes the reimposition of at least partial controls on the movement of money into and out of Britain, tax sanctions on firms that refuse to repatriate foreign profits and the setting up of a state investment bank to fund increased spending in industries chosen by government and public works.

Mr. Hattersley said, "The Labor Party stands accused of wanting to interfere with the free operation of free-market forces. I plead guilty."

Party leaders interrupted the proceedings to redouble attacks on Mrs. Thatcher after her government announced Thursday that unemployment has reached a record 3.34 million, a rise of 100,000 in the unadjusted figure in the past month.

Leftists at the conference renewed their demands for wholesale nationalization of virtually every means of production in Britain, a policy that the leadership has said it will not accept.

The Labor conference this year has been marked by a clampdown on the radicals by the party leader, Neil Kinnock.

## WORLD BRIEFS

### Polish Activists Reject Jaruzelski Offer

WARSAW (UPI) — A group of seven jailed activists of the outlawed Solidarity trade union said Thursday that General Wojciech Jaruzelski's offer to free political prisoners if there were a high turnout at parliamentary elections on Oct. 13 was "unprecedented blackmail."

In a statement smuggled out of prison, the seven, serving terms ranging from two to four years, said that because of the statement by General Jaruzelski "we wish to serve our prison terms to the end."

Among the prisoners signing the statement was the Reverend Sylwester Zych, a Roman Catholic priest sentenced to four years in jail. The other signers were Henryk Grzedziowski, Roman Welich, Marek Mickiewicz, Jacek Palubinski, Andrzej Wisniewski and Stanislaw Woronko.

### U.K. May Have Foiled Arab Attack

LONDON (Reuters) — British police believe that they have foiled an Arab guerrilla attack in London after arresting a Jordanian and an Iraqi, police sources said Thursday.

The men were detained under Britain's Prevention of Terrorism Act and charged in court with conspiracy to cause explosions, a police spokesman said.

The sources said both were alleged to have had grenades in their possession when they were arrested.

### Duarte Is Said to Free 4 in Bargaining

SAN SALVADOR (UPI) — The Salvadoran government has freed four leftist prisoners in a gesture designed as the first step in meeting kidnappers' demands for the release of the daughter of President Jose Napoleon Duarte, according to a government source.

Ines Guadalupe Duarte Duran, 35, was abducted by gunmen Sept. 10 along with a friend, Ana Cecilia Villeda, 23. A group calling itself the Pedro Pablo Castillo Front later claimed responsibility and contacted Mr. Duarte with demands for release of guerrilla prisoners in exchange for the freedom of the two women.

### Sihanouk Says Rebels Make Progress

UNITED NATIONS, New York (NYT) — Prince Norodom Sihanouk has told the General Assembly that his rebel forces are holding their own against the Hanoi-backed government in Phnom Penh.

The prince, who is recognized by the United Nations as the legitimate head of nation of Cambodia, asserted in a speech Wednesday that forces of the opposition coalition he led had recently made inroads into regions near the Cambodian capital, causing "serious concern" for the Vietnamese. The rebel alliance consists of two non-Communist groups and the Khmer Rouge, which is Communist.

The prince said that despite claims by Hanoi, his troops had not been "seriously weakened by the so-called big victories of the Vietnamese offensive" this year.



Prince Norodom Sihanouk

### Shuttle Goes Up With Secret Satellites

CAPE CANAVERAL, Florida (AP) — Atlantis, the fourth and last U.S. space shuttle of the current series, was launched into orbit Thursday on a secret voyage, carrying a crew of five and two \$100-million military communications satellites. The flight is expected to last four or five days.

Nine minutes after the Atlantis liftoff at 11:15 A.M., Mission Control Center in Houston reported that the spacecraft was in a secure orbit. Forty minutes later, Mission Control reported, "All systems on board are operating and the mission is proceeding as planned."

The exact launch time had not been announced publicly until just nine minutes before liftoff. Defense Department officials had said that the secrecy would make it more difficult for Soviet satellites and spy ships offshore to monitor the flight.

The Atlantis flight is the second specifically Defense Department space shuttle mission. As on the first one, in January, the identity of the payload has leaked to news organizations. Reliable sources have reported the astronauts will deploy two Defense Satellite Communications System satellites designed so an enemy cannot jam their communications and they could be used by the president to send emergency instructions to nuclear forces around the globe.

### Bulgarian Denies Being Secret Agent

ROME (UPI) — Sergei I. Antonov, the only Bulgarian defendant attending the trial of Turks and Bulgarians accused of plotting the 1981 attempt to kill Pope John Paul II, denied Thursday that the Bulgarian airline he worked for was "full of secret agents."

He also dismissed testimony by an employee of Balkan Air, the airline, who said he was convinced that Mr. Antonov was a secret agent. "There is no truth in all this," he said.

Mr. Antonov had been the Rome station chief of Balkan Air for five years at the time he was arrested in Nov. 25, 1982, on charges of "active complicity" in the shooting and wounding of the pope by a Turkish gunman, Mehmet Ali Agca, on May 13, 1981. He is the only one of three Bulgarian defendants who is in custody and attending the trial.

### For the Record

The 12th game of the World Chess Championship rematch between the champion, Anatoli Karpov, and his challenger, Gary Kasparov, was drawn after 18 moves Thursday night. The match is tied at six points each.

President Julio Maria Sanguinetti of Uruguay arrived in Madrid on Wednesday from Rome on a three-day state visit to Spain. Talks in Madrid are expected to focus on economic issues.

Peace talks between Uganda's main guerrilla movement, the National Resistance Army, and the ruling Military Council were adjourned indefinitely Thursday in Nairobi.

More than 27,000 miners voted unanimously Thursday to end a monthlong strike at Bolivia's largest silver and tin mines. Earlier, labor leaders and the government of Victor Paz Estenssoro agreed to end the strike in exchange for release from prison of 97 union members. (UPI)

Technicians in Middletown, Pennsylvania, triggered a nuclear chain reaction Thursday to restart the damaged Unit 1 reactor at Three Mile Island nuclear power plant. It has been dormant since March 28, 1979, when an accident damaged the adjacent Unit 2. (AP)

### Correction

A Reuters report from Port Elizabeth, South Africa, in some editions of the International Herald Tribune of Oct. 1, incorrectly quoted President P. W. Botha as saying that his government rejected the idea of votes for everyone in the country. In his speech, the president rejected the idea of a one-man, one-vote democracy in a unitary state, but he said that he and his party "are committed to the principle of a united South Africa, one citizenship and a universal franchise."

## Iraq Again Strikes at Kharg And Major Iranian Oil Field

BAGHDAD — Iraq said Thursday that its warplanes had again struck Iran's Kharg Island oil terminal while its navy attacked the Nowruz oil field in the northern Gulf.

The raid Thursday on Kharg, Iran's main oil export outer, was the 19th since Aug. 15. The attack on the oil field was the first in a recent wave of Iraqi strikes against economic targets.

A military spokesman said the attack on the terminal "destroyed what remained of Kharg Island." He called the naval attack on Nowruz, 35 minutes earlier, as "sudden, intensive and destructive."

All aircraft and naval vessels involved returned safely to base, he said. The attacks were intended "to keep Iran's rulers without oil resources that they might employ to continue the anarchy and aggression" against Iraq, the spokesman said, adding that Iraq would continue intensive attacks against vital Iranian targets.

Oil and shipping sources in the Gulf said previous raids on Kharg seriously hampered Iran's oil exports from the terminal.

Since early this year Iran has been shutting crude oil in chartered tankers to a makeshift terminal at Sirri Island lower down the Gulf, to allow its customers to load out of range of Iraqi planes.

Iranian officials said that a big Iraqi raid Sept. 19 damaged pipelines and other installations at Kharg, but they added that Iraqi planes, to avoid Iranian defenses, generally fly too high to aim well enough to do irreparable damage.

ALEXANDRE SAVIN  
THE CASHMERE  
DESIGNER IN PARIS

ALL DESIGNS  
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## Peres Calls Hussein's Move 'Good' but Not Enough

By Christopher Dickey  
Washington Post Service

JERUSALEM — Prime Minister Shimon Peres welcomed on Thursday signs from King Hussein of Jordan that the peace process may still be alive despite Israel's bombing of the Palestinian headquarters in Tunisia.

But Mr. Peres was quick to add that Hussein's reported remarks in Washington to a closed session of the Senate Foreign Relations Committee were not enough. Hussein told the panel that no

state of belligerency exists between Jordan and Israel and that Jordan recognizes Israel's right to exist.

"I take it as a good omen, but not as a sufficient change," Mr. Peres said. He declared that if Hussein meant what he said, he should state it publicly.

Answering questions at a press luncheon, Mr. Peres seemed confident and was visibly relieved that Washington's reaction to the raid Tuesday was mild.

Because Israel believed that the raid would possibly trigger a nega-

tive international reaction, President Ronald Reagan's characterization of the attack as an act of self-defense was "for us, shall I say, a refreshing surprise," Mr. Peres said.

The Israeli prime minister played down the fact that since Tuesday U.S. officials have endorsed the strike. Mr. Reagan's remarks were "crystal clear," he said.

Mr. Peres reiterated his government's perception of current efforts to seek a Middle East peace settlement.

"I am wholeheartedly for peace," he said. "I don't think that an Arab country that is ready to negotiate with us for peace is doing us a favor. We are not a charity organization."

"We don't do a favor to them when we seek peace, and they don't do a favor to us when they seek peace," he said. "They need it. We need it."

Mr. Peres said he believed that Hussein wanted and needed peace. "I hope that this momentum will be continued in spite of the many difficulties and many complications," he added.

Hussein has faced Jerusalem longer than any other Arab head of state.

The Jordanian leader has concluded that he needs the support of Yasser Arafat, the Palestine Liberation Organization chairman, in order to advance the peace process.

In a television interview Wednesday, however, Mr. Peres insisted that Hussein did not need Mr. Arafat's help.

In general, he said, "Hussein is not happy with Arafat's entire activity."

Mr. Peres said that "inwardly, the Jordanians are also constantly in doubt as to whether the PLO and Arafat really mean what they say."

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## Fire Damages Foreign Office Building in U.K.

Reuters

LONDON — Fire gutted part of Britain's Foreign Office a few yards from where Prime Minister Margaret Thatcher was sleeping early Thursday.

Sparklers showered onto the roof of Mrs. Thatcher's official residence, No. 10 Downing Street, as more than 70 firemen fought the fire at the adjacent Foreign Office. Fire broke out in a part of the building where workmen were carrying out major renovation.

Cleaners and night staff were safely evacuated on the 110-year-old building and nobody was injured, the police said. A fire brigade spokesman said: "We have no reason to believe that it was other than an accident."

Foreign Secretary Sir Geoffrey Howe said after inspecting the damage that the blaze would not disrupt the ministry's work. A Foreign Office spokesman said that no papers had been lost or damaged.

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## South Korean Students Given Harsh Sentences

By Clyde Haberman  
New York Times Service

TOKYO — A South Korean court has sentenced 20 college students to as much as seven years in prison for occupying the U.S. Information Service building in central Seoul in May.

The sentences Wednesday were considerably harsher than those generally imposed on student demonstrators in recent years.

They seemed to reflect a tougher government attitude toward dissent. Many foreign diplomats in South Korea trace the attitude to the four-day takeover of the American offices by 73 students.

Although the demonstration ended without violence on May 26, following long negotiations between the students and U.S. diplomats, the South Korean government felt seriously embarrassed and threatened to retaliate.

Since then, there has been a series of campus raids, and scores of students have been arrested. Officials have dismissed teachers and ordered the transfer of judges considered too "soft" on convicted protesters.

"Considering that no violence was involved, these are very severe sentences," a Western diplomat said Wednesday.

The longest prison term, seven years, was given to Han Un Yong, a senior at Seoul National University who headed a campus group called Samnintu. The government has labeled the group pro-Communist.

In addition to the prison term,

Mr. Han's civil rights are being suspended for three years. He had been charged under the National Security Law, which is commonly invoked against defendants accused of abetting North Korea. In the most extreme cases, the law allows the death penalty.

The 19 other defendants were indicted under less severe statutes and received shorter sentences.

Kim Min Suk, also a leader at Seoul National University, and another student were given five-year sentences. Nine of the others received four-year terms and seven were given three-year terms.

The 20th defendant, the only woman on trial, was given a suspended sentence of two years, apparently because she expressed a willingness to "repent."

The 53 other students who had taken over the U.S. installation were given short jail terms soon after the incident or were released with warnings.

The trial in the Seoul District Criminal Court, had been uncommonly stormy and was punctuated by sporadic outbursts by defendants who shouted anti-government slogans.

Two weeks ago, two opposition members of the National Assembly were indicted on charges of inciting a separate demonstration at Korea University on Sept. 6. One of them was a defense lawyer in the continuing trial of the 20 students, and he was dismissed as a result.

In protest, 21 other defense attorneys resigned, forcing the court to appoint replacements.



Bishop Desmond M. Tutu of South Africa, center, at Westminster Cathedral in London with Anglican church leaders, Reverend Samuel Van Culin, secretary-general of the Anglican Consultative Council, at left, and Reverend Keith Sutton, bishop of Litchfield.

## Boycott of White Shops Ends in Natal

The Associated Press

JOHANNESBURG — Black trade unions and community groups called off Thursday a month-old boycott of white shops in South Africa's Natal province, saying it "threatens to divide rather than unify" foes of apartheid.

The nationwide black consumer boycott remains in effect in most parts of the country and has crippled some white shops and forced others to close.

Thousands of students continued to boycott classes Thursday across South Africa.

Police headquarters in Pretoria said that a riot patrol shot and killed a black man on Wednesday in King William's Town in the eastern Cape province during a clash with rock-throwers.

In Cape Town on Thursday, a court postponed for two weeks the case of eight journalists, including camera crews from U.S.-based television networks, who were arrested Tuesday while covering a student protest rally.

The eight journalists, who appeared in court, were released Wednesday without bail. They include Wim de Vos, of the Netherlands, and Anton van der Merwe, a South African, employees of CBS; and George De'Ath, of France, and John Hall, of Britain, employees of NBC.

Also arrested were Craig Matthews and Pierre Rommelaere of

World Television News of Britain; Bernard Bisson from the French photographic agency, Sygma; and Rafiq Rohan, a reporter for the South African Capital Radio.

In Bournemouth, England, Britain's opposition Labor Party gave a thunderous reception Friday to Oliver Tambo, leader of the outlawed African National Congress.

Mr. Tambo accused Prime Minister Margaret Thatcher's government of allying itself with apartheid.

Meanwhile, Mrs. Thatcher was meeting with Bishop Desmond M. Tutu, a Nobel laureate and a leading apartheid opponent who advocates nonviolent change. He is in Britain for a church meeting.

## Entrepreneurs Bloom in China

Private Businesses Have Multiplied 15-Fold Since 1980

By John F. Burns  
New York Times Service

BEIJING — As a boy growing up amid the rice paddies of Jiangsu province, Zhu Bingrong read the tracts of Marx and Mao.

He has never heard of Adam Smith or "The Wealth of Nations," the 18th-century handbook of laissez-faire capitalism. But each day he bicycles down to a street corner here, sets up a crude table and demonstrates an axiom set forth by Smith in 1776: that the entrepreneur, in pursuit of personal gain, can simultaneously promote the general welfare.

Mr. Zhu, 30, is a tailor, an individualist with one of the fastest pairs of scissors and surest eyes for a ripped waist that have been seen in Chongwenmen district here in a generation.

After only a few months in business he has built up a thriving trade in the pinstriped suits and natty sports jackets that have been the rage since Deng Xiaoping lifted the sartorial tyranny imposed by Mao.

In the streets of China, away from the wrangling of the political elite, Mr. Deng is celebrated for policies that have placed popular well-being ahead of ideological concerns. Nowhere is this more evident than among the practitioners — and clientele — of the growing network of free enterprise.

"Deng Xiaoping," Mr. Zhu said, "he's wonderful! It's his policies that have made all this possible."

With a wave of his shears, he motioned toward the vegetable sellers, furniture makers and bicycle re-

pairers clustered about his table on Tajichang Street.

Across China more than 15 million people work in private business, two-thirds of them people like Mr. Zhu who are self-employed. When Mr. Deng took power in 1978, private commerce of all kinds was proscribed and punished.

Equally impressive is the rate of growth: 660,000 private businesses by 1980, 9.3 million at the end of 1984, 10.6 million now. Recent figures show that 14 percent of all retail sales take place in the private sector.

In many neighborhoods the private markets have become the focal point of life. In Beijing there are more than 500 such markets, often several in a single neighborhood.

Western economic historians who visit here say there has been nothing to match it in any Communist country, not even the period in the 1920s when Lenin, ruling a nation ravaged by civil war, encouraged free enterprise in the Soviet Union.

The same point, in different ways, is made by Mr. Deng's political enemies at home, who say that what is going on here is an abandonment of Marx's creed.

"We are Communists; our goal is to build socialism," Chen Yun, 80, the central planning advocate who is Mr. Deng's strongest critic at the pinnacle of power, said at a national party conference last week.

Mr. Deng, on the defensive, has adjusted his polemics, but not his policy. Replying to Mr. Chen's conference speech, he spoke of the "greediness, corruption and injust-

ice that are inherent in capitalism," then reaffirmed the positive role that free enterprise can play.

In licensing free enterprise, Mr. Deng has sought to tackle several problems. One was the chronic shortage and sloth of everyday services, palpable to anyone who knew Mao's China.

Whether it was getting a meal, or a haircut, or a snapshot on Tiananmen Square, China before the Deng era was hopelessly undersupplied.

Mr. Zhu can make a jacket for less than \$2 plus the cost of the cloth in three days; the same service in a state-run shop can take several weeks.

Since 1980 there has been a 600 percent increase in retail and service shops, most of them privately run. China's Horatio Alger has opened nearly six million stores, one million restaurants, 800,000 transport concerns, 750,000 repair shops, 640,000 service shops and stalls and 40,000 companies that build or repair homes.

If a Chinese drinks in a teahouse, stays in a small hotel, needs his shoes fixed, likes fashionable clothes and hairdos or likes to dance to a Western beat, the chances are good that he will patronize a privately owned concern.

The new businesses have filled a gaping hole, and by providing better service, though often at a higher price, have prompted state and collectively owned stores to improve their performance. In addition, they have provided jobs to millions of people who would otherwise have been out of work.

## In Echo of Early Years, Middle East Conflict Shifts Back to Israeli Territory

(Continued from Page 1)

are less afraid of the Israelis than were their parents.

"The generation that grew up in the territories before 1967 witnessed Israel crush three Arab armies at once," said Amnon Cohen, an expert on Palestinian history at the Hebrew University of Jerusalem.

"They were shocked by this and they took the might of the Israeli Army for granted. The young generation do not suffer from this shock. They grew up with the Israeli Army of the 1973 war and Lebanon."

The ability of the Shiite Moslems to drive the Israeli Army out of most of Lebanon appears to have had an important psychological impact on West Bank youths and to have contributed, in part, to the new wave of violence.

Israeli military officials say they

believe that the 600 Palestinians freed May 20, who included some of the best-known Palestinian killers of Israelis in the last 20 years, are being closely watched and are not engaging in subversive activities.

The freed prisoners do serve as important role models, however, the officials said. The 600 men were freed to the occupied territories as part of an exchange of 1,150 prisoners for three Israeli soldiers.

In the last 18 years, Israel has systematically destroyed the traditional Arab leadership in the West Bank and Gaza Strip through expulsions or dismissals from posts.

Only one mayor of a major Arab town, Elias M. Freij of Bethlehem, remains in his job. The others are under the administration of military governors.

In the absence of strong and moderate local leaders, the young

generation is looking to the released prisoners for inspiration.

The Israeli cabinet agreed to the prisoner exchange under the urging of the parents of the three Israeli soldiers. Officials also believed that if they did not meet the Palestinian guerrillas' specific demands, the three Israelis could be killed.

Another factor that has helped make the recent violence possible, the experts said, is the weakening of Israel's intelligence-gathering capabilities in the West Bank and Gaza Strip as a result of the Lebanon war.

The day-to-day gathering of intelligence in the West Bank was always carried out by agents of the Shin Beth, the security agency that is Israel's equivalent of the FBI.

But when the Israeli Army invaded Lebanon, the Shin Beth, with its experienced case officers and members fluent in Arabic,

transferred much of its resources to assist the occupation. Many of its agents still work in southern Lebanon.

According to Israeli military sources, about 20 Shin Beth agents were killed during the invasion of Lebanon and in the suicide car-bombing of the Israeli intelligence headquarters in Tyre on Nov. 4, 1983.

"The main tool for fighting terrorism is intelligence," said a senior Israeli officer in the West Bank.

In addition, the nature of the violence in the territories is changing, making it more difficult to detect in advance, the military officer noted. At most, he said, only 50 percent of the recent attacks have been directed from the outside.

The rest, he said, were undertaken by individuals who are no longer willing to wait for the PLO to win the fight for them. They act on

their own or in self-contained small groups that are very hard to penetrate.

The PLO presence in Amman has contributed to the recent spate of attacks, the Israeli military officials said, because it is easier for its leaders to meet other Palestinians there than it was in Tunis or Algiers.

Israeli military officials say they believe that Mr. Arafat has been pressured to step up violence inside Israel to improve his image inside the organization.

Mr. Arafat reportedly is considering recognizing Israel's right to exist as part of a Jordanian-PLO initiative to open talks with the United States on peace in the Middle East.

The last factor contributing to the increase in Arab violence, according to Israeli military experts and Palestinians, has been the behavior of the Jewish settlers.

The settlers have increased their efforts to expand their settlements into densely populated Arab areas. They have attacked the homes of the Palestinians released from prison and are conducting their own armed patrols in West Bank towns following attacks on Israelis.

Israeli military experts say the settlers have been provoking the Arabs. Rabbi Moshe Levinger, a leader of the settlers, sat outside a refugee camp for two months waiting for an Arab to throw a stone at him.

"The settlers say they are moving into the Hebron marketplace because they want to live with the Arabs," said Amnon Cohen, a historian. "In reality they want to replace them. They want friction in order to justify bringing the army in and imposing harsher security. We must not only condemn Arab aggression but Jewish aggression."

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### OCTOBER 25

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—John Moore, M.P., Financial Secretary to the Treasury, United Kingdom.

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# Herald Tribune

Published With The New York Times and The Washington Post

## Victims of Free Trade

A mighty urge has been building in the Congress to do something, almost anything, to show concern about the huge U.S. trade deficits. Even senators and congressmen with no obvious connection to the principle of free trade are feeling the need to demonstrate sensitivity to the domestic troubles caused by foreign competition. A likely vehicle for that concern is a proposal by Senator William Roth of Delaware, and others, to extend and expand the Trade Adjustment Assistance program.

The Roth proposal would impose a small "adjustment fee" on all imports to pay for extended unemployment benefits and retraining for workers who lose jobs to foreign competition. It has an advantage over other proposals aimed at helping U.S. workers: strong bipartisan backing, especially within the powerful Senate Finance Committee, and inclusion in the budget reconciliation measure that the Senate is expected to take up soon.

The plan also has intuitive appeal. Open trade is surely good for the United States and other countries in the long run, but in the short run the costs of adjustment fall heavily on certain people and localities. Why not make the people who profit from importing goods into the United States help ease the resulting hardships? Senator Roth and the bill's co-sponsors point out that the needed levy on imports would be so small (probably only one-tenth of 1 percent of import value) that the United States's trading partners would prob-

bly accept the required change in trading rules. The Reagan administration, however, has stoutly opposed other import surcharges and, while it has not yet registered opposition to this one, may well be reluctant to embrace it. The administration has consistently opposed the whole concept of earmarking programs for workers hurt by trade on the sensible ground that such workers have no larger claim to public help than workers displaced by technological change, faulty management, high interest rates or domestic competition.

It also turns out to be very hard to pinpoint eligible workers: a study of earlier trade adjustment programs found that workers given help because their jobs had been permanently lost to foreign competition were much more likely to be recalled to those same jobs than were workers who were not helped.

A better strategy might build upon the worker adjustment programs already being funded by the Labor Department. While these programs are still quite new and generally lack money for extensive retraining or worker stipends, they have encouraged considerable innovation by states and involvement by private companies. Unfortunately, even as the Congress considers voting money for a new displaced-worker program under the heading of "trade," it is also in the process of approving a huge cut in funding for the existing programs. That does not make sense.

—THE WASHINGTON POST.

## The Russians This Time

Three Soviet citizens were still being held prisoner in Lebanon even as the report came that a fourth, a diplomat, had been executed by an Islamic fundamentalist group fighting in Tripoli against Lebanese elements backed by Syria and, through Syria, the Soviet Union. Few people, we surmise, are going to be able to deplore the murder without wondering whether it might not be therapeutic for the Kremlin to get a taste of the medicine that it has long been prescribing for others through its various approaches to encouraging international terrorism. But this in itself is not an adequate, let alone an attractive, reaction.

This appears to be the first time Soviet citizens have been taken hostage and harmed in the channel house of Lebanon. As a result, there is much curiosity about what the Kremlin may do. One theory has been that terrorists have hesitated to hit Soviet targets for fear of an immediate and crushing response. Now we will see whether Moscow moves to protect, remove or avenge its people, and whether it slackens or keeps up or even increases its support for its Lebanese friends in the field. These are important questions bearing on the whole Soviet role in the Middle East.

It is painful but necessary to note that in somewhat analogous circumstances of threat

to its Lebanese presence, the United States abandoned its role as a would-be patron of the country's integrity and unity. In a little-noted sequel, the Soviet Union then deliberately moved into some part of that same role, principally by backing Syria, which sees itself as the single legitimate overseer of Lebanon.

Syria has been conducting a hard policy of enforcing order of a sort in Tripoli and of otherwise trying to assert control in Lebanon. The United States is not pleased with the means, but in the absence of any other feasible way to stop the bloodletting and disintegration, Washington has quietly endorsed the Syrian policy. It has done so notwithstanding Syria's own readiness to sponsor and condone terrorism, including, it is believed, terrorism directed at Americans. Washington thus has acquiesced to the Soviet supporting role.

This leaves the United States in a strange position on the latest hostage-taking. Even as it takes a consistent position against terrorism, Washington cannot fail to hope against hope that Moscow will review its cynical support of terrorism. Yet the United States finds itself forced to acknowledge the job that the Soviet Union is performing in Lebanon, one that the Reagan administration largely ignored.

—THE WASHINGTON POST.

## Panama Is Off the List

Strike Panama from the list of restored Latin American democracies that the United States has been celebrating.

In a democracy, the military is not expected regularly to depose or impose presidents, as the Panamanian National Guard has done five times in three years. In a democracy, civilian critics of military power are not supposed to be decapitated, with the apparent collusion of the military, as happened two weeks ago to Dr. Hugo Spadafora.

In a democracy, journalists are not normally threatened by military intelligence operatives, and United States ambassadors do not feel obliged to warn opposition newspapers that they risk being closed down unless they mute their criticism — as Ambassador Everett Briggs felt obliged this week to warn reporters and editors of the daily La Prensa.

If what is happening in Panama is democracy, Nicaragua can fairly claim it is being sub-

jected to a double standard. The right name for the Panamanian regime is dictatorship, and the country's real ruler is the National Guard commander, General Manuel Noriega.

Panama faces problems, starting with the effects of the larger Latin debt crisis, which has dried up the normal flow of capital to the region. And the United States has every reason to try to get along with whoever governs Panama. But these realities do not oblige Washington to pretend that the power plays and brutalities of a military regime are consistent with democracy. General Noriega should not underestimate the United States's strategic interest in Panama's political future.

America's access to the Panama Canal depends in the first instance on the stability of the regime that guarantees it. That guarantee is worth no more than the regime's credibility among its own people.

—THE NEW YORK TIMES.

## Other Opinion

### The Art of Cutting Red Tape

[Christo] is the subject of an array of books and movies. And like some other artists in history, artists like Leonardo, Michelangelo, Titian, and, in our own day, Picasso, he is known simply by the one name. Unlike them, he is that modern phenomenon, a man famous for being famous. To say that, though, is to do an injustice.

The sheer scale of Christo's projects, the

energy with which he pursues them (the wrapping of the Pont Neuf has been on his list since 1976), and the skill with which he consummates them are in a class apart. It was simply a matter of the ingenuity of wrapping the 13-arched bridge in silken pleats while the traffic kept rolling. It was the little matter of persuading hard-nut politicians such as Paris Mayor Jacques Chirac and President Francois Mitterrand that it was worth doing.

—Michael McNay, The Guardian (London).



## Gorbachev's Charm Campaign Backfires

By William Safire

WASHINGTON — During the Andropov-Chernomko era, the central aim of Soviet policy was to get Western front groups to stop the deployment of medium-range missiles in Europe. That failed. The central aim of the Gorbachev Kremlin is to stop U.S. testing of space-based defense weapons, this time using the most modern communications techniques to appeal to "world opinion."

The Charm Offensive must have seemed like a great idea to the new Soviet leadership. Western media offer easy access for the Russian anti-space-defense message. But Mikhail Gorbachev is beginning to discover that playing with public opinion is playing with fire.

Credibility abroad. Watching him answering questions on television, Western viewers no longer compare him with his dour predecessors; they measure him against his buildup.

He is not as smooth as cracked up to be. He takes long, dramatic pauses before saying ominously — never in pessimism, mind you — that "we have reached a point beyond which events may get out of hand." This is intended to strike fear in the hearts of his listeners. But he is not such a hot actor. His dramatic pauses are melodramatic; television's eye resists such attempts at manipulation.

Credibility at home. The Kremlin decision to go public with its appeal for a defense freeze exposes the Soviet people (no longer "peoples") to the sight of their leader saying what the average person knows to be untrue.

In an interview telecast in the Soviet Union as well as France, a French interviewer, Yves Mourousi, dared to ask about human rights.

## Life in a Nuclear World: Scant Cause for Optimism

By John Ausland

This is the second of two articles.

SLO — It is not easy to think optimistically about the future. Not only has man shown a historical penchant for fighting wars, but now he lives under the shadow of a weapon that could make the next war the last, one that gives the nuclear powers the means to wipe out fragile civilizations built over the ages. Even if the world's leaders show no desire to engage in nuclear war, it is not easy to escape the fear that they will stumble into one.

It does no good to pretend that the danger does not exist. To embrace simplistic slogans about nuclear freezes and nuclear-free zones is to embrace empty hope.

The hard reality is that there are 50,000 nuclear warheads in the world. Possession is limited to a few countries: the United States, the Soviet Union, Britain, China and France. Perhaps Israel has a few warheads, and other countries certainly have the means to produce them.

The countries that have nuclear weapons are locked in historic struggle. There is little chance that the Soviet Union will give up its ambitions to become a global power or that the Western allies will cease to resist this. We must reconcile ourselves to continuing struggle.

Fortunately, nuclear armaments have a chastening effect: They lead American and Soviet leaders to treat each other with respect. In 40 years, there has not been an accidental nuclear explosion or an unauthorized firing. But if a conflict should break out, the question of using nuclear weapons would arise. It is uncertain whether American or Soviet leaders would be prepared to be the first to use nuclear weapons. But one cannot be sure.

Concerns over the scope of damage in a nuclear war have been magnified many times by the realization that an atomic war could provoke a "nuclear winter," a drastic change in climate that might wipe out mankind, at least in the Northern Hemisphere.

This threat is bound to have come to Moscow's attention, and Washington clearly is taking it seriously. The National Academy of Sciences has given a preliminary endorsement to the nuclear-war concept, and a Pentagon study concedes that there may be something to it, but adds that this is no reason to alter strategy.

Some people see the nuclear-war question as irrelevant. Any attempt by the United States and the Soviet Union to destroy each other's strategic nuclear forces, they say, would involve the use of perhaps 10,000 warheads. The destruction would be unimaginably catastrophic, even without a nuclear winter.

Those who espouse the nuclear-war concept say that, to escape from this dangerous situation, nuclear stockpiles must be drastically reduced, leaving them below the level that would trigger a nuclear winter. Although there is controversy about what this number would be, it could be as low as a few thousand, perhaps 1,000 warheads on each side.

But it takes great optimism to foresee the nuclear powers agreeing to such drastic reductions.

Even if the number of warheads were significantly reduced, the question of whether defenses are desirable would remain. In fact, radical reduction of the number of offensive weapons would make defense a more reasonable possibility. Even if it were not technically possible to have an effective space-based defense, the United States, and eventually the Soviet Union, could decide to use anti-ballistic missiles to protect their land-based nuclear forces.

If, as is likely, the leaders of the nuclear powers are not prepared to make drastic reductions, we must content ourselves with continuing to live in an extremely dangerous world.

Negotiations will continue, if only because Western governments need them to calm their publics and the Russians seek them to divide their opponents. Some agreements may be negotiated, but they will not significantly change the basic equation. The military, it seems clear, will always stay ahead of the negotiators.

I wish greater optimism were possible. It is not. We have little choice but to reconcile ourselves to life under the nuclear sword.

Our only real hope must reside in the belief that the leaders of the nuclear powers will continue to avoid any conflict in which the use of nuclear weapons might be considered. The nuclear powers, for all their mutual antagonism, have little interest in mutual suicide.

International Herald Tribune.

## A Bad Wrap? Henry Just Might Have Approved

By John L. Hess

PARIS — What one wonders, would Henry IV have made it if there he sits, the evergreen gallant, astride his bronze horse, serenely gazing over his bridge — the Pont Neuf — suddenly wrapped like a fancy parcel by the artist Christo. One suspects he would be more interested in the passing gypsies and would not mind the packaging very much. For Henry was a tolerant man.

Tolerant? Imagine. Just over his left shoulder stands the Louvre, where on the feast of St. Bartholomew in 1572, scores of his wedding guests, fellow Protestants, were massacred. Before him once stood the old Pont Notre Dame, where Parisians pelled his Swiss guards with a murderous rain of stones and arrows.

When Henry passed by in 1594 to be crowned in Notre Dame, those same Parisians cheered him, and he said, diplomatically, "I do believe these poor people were tyrannized."

Henry is more famous for saying that "Paris is well worth a Mass." The French have long since forgiven this apparent frivolity.

Actually, he abjured Protestantism twice. The first time he did so it was to avoid the fate of the other Protestant nobles on the feast of St. Bartholomew. Then he slipped out of Paris to lead the Protestant forces in victorious resistance. By 1589 he had inherited the throne, but the Catholic League held him

off until he attended that Mass five years later. With the Edict of Nantes in 1598, Henry gave France a rare interim of religious tolerance. He also ordered a grand program of useful engineering works, including the completion of the Pont Neuf, which was opened in 1607, 29 years after work began.

Interestingly, Henry quashed plans to build merchant housing on the bridge, objecting that it would block his view from the Louvre palace. It took nearly two centuries more for esthetes to raze the similar buildings on the bridges upstream, resulting in the present grand riverscape.

I doubt Henry would have been terribly shocked to see his bridge in a shroud. He could hardly have foreseen an age when packaging would be everything, contents nothing. But in his lifetime the bridge and the adjoining Place Dauphine were a court of miracles where clowns and mountebanks of all kinds held sway.

He has, in short, seen worse. His conclusion might be something like that of a famous maître d'hôtel of Belle Époque who, when asked why he practiced flambeeing, replied, "It pleases the clientele, and it doesn't hurt the food very much."

The writer, a former foreign correspondent, is now a commentator for Channel 5 in New York. He contributed this column to the International Herald Tribune.

## Attack in Tunis Shows Frailty of U.S. Policy

By Philip Geyelin

WASHINGTON — Only the choice of Tunisia should have come as a surprise; Israel's sense of how to provide for its security was well-established in Iraq in 1981 and in Lebanon for the last three years. The lesson writ large in the Tunisian bombing, then, says less about the lawlessness of the way Israel looks to its national security than it says about the mindlessness of the way the United States tends to its own interests in the Middle East.

Secretary of State George Shultz had a large part of the lesson right: U.S. security, as he understands it, requires steady efforts against whatever odds to deal with the sources of strife and instability in the Middle East. This means "we need to be clear in our opposition to the acts of violence from whatever quarter they come, and without respect to the presumed rationale for them," he said in response to the Israeli raid on the Palestine Liberation Organization facilities near Tunis. If that is not a condemnation, words have no meaning. But Mr. Shultz was in New York, at the United Nations.

And it was to the White House that Israel was looking for renewal of its license to practice "self-defense" outside the bounds of international law. Talking by phone to Israeli officials, moments after the statements from President Reagan and his spokesmen granting "legitimacy" to the Israeli violation of Tunisian sovereignty, you could almost hear them smile.

There lies the rest of the lesson: The best-intentioned efforts to promote a Middle East "peace process" are of no account for as long as the United States allows itself to be jerked around by its closest Middle East ally. This is not new with the Reagan administration. What may be new is that the administration may not be conscious of the crippling contradictions in its approach.

On the one hand, it engages King Hussein in a carefully coordinated strategy to produce direct negotiations involving Israel, Jordan and some kind of Palestinian representation. The PLO chairman, Yasser Arafat, has been inextricably entwined in this effort as a would-be arbiter in selecting those Palestinian representatives. The administration accepts that King Hussein cannot move far without Mr. Arafat's acquiescence. Mr. Arafat, in turn, is no more than the best of a very bad lot in the splintered PLO, whose worst elements do not want either Mr. Arafat or King Hussein to move at all.

Yet, on Monday, there was Ronald Reagan at the White House praising Hussein for "moving steadily and courageously forward." The king, for his part, was repeating to Mr. Reagan "Jordan's unwavering position in condemnation of terrorism, irrespective of its nature and source."

On Tuesday, King Hussein was carrying the same message directly to Capitol Hill, explicitly telling a meeting of House members that "Jordan recognizes the right of Israel to exist." That meets the condition written into law for U.S. arms sales to Jordan. He was also saying that Jordan was

ready to talk to "all parties in pursuing a negotiated settlement, in an environment free of belligerent and hostile acts."

Meantime, Israel had already set out to assassinate Yasser Arafat. Let us not quibble over language. It was Mr. Arafat's headquarters that the Israelis' American-made jets so effectively destroyed. The Israelis had reason to believe Mr. Arafat would be on hand. Indeed there is reliable evidence that only by chance did Mr. Arafat not show up at a scheduled meeting at precisely the time of the Israeli attack.

So it is also idle to argue over motive. The Israeli government has reason enough to want to strike back at terrorists by way of deterrence; it suffers cruelly at their hands. But consequences count, the more so when they are predictable. That Mr. Arafat escaped does not alter the implications for U.S. policy.

This is the policy equivalent of a three-car collision. The Reagan administration officially renounces assassination. It professes to be pushing a peace process. And it encourages an Israeli approach to counter terrorism by pointing to U.S. policy. The United States considers

*The best efforts to promote peace are of no account so long as America lets itself be jerked around by its closest Mideast ally.*

retaliation against terrorist attacks is a "legitimate expression of self-defense" — a policy that it apparently lacks either the will or the wit to practice for itself.

Make that a four-car collision: By proclaiming Israel to be a U.S. "security asset," the administration regularly invites the inference that whatever Israel may do in its own interests is perceived by the administration to be in U.S. interests as well. So when the White House confers "legitimacy" on Israeli strikes against terrorist nests, wherever they are, it ought to be clear what it is legitimizing.

Defense Minister Yitzhak Rabin once made it pretty clear: No "community" anywhere for terrorists in general and for PLO headquarters in particular. Did that include Jordan, where the PLO has offices? Mr. Rabin scarcely needed to repeat himself: he had already pointedly and publicly warned of "dangers" to King Hussein if security on the West Bank "deteriorates."

Now you can make a case for one or another of these policies — but not all at once. There is no case to be made for seeking to engage Hussein and the other more moderate Arabs in a peaceful settlement while giving Israel a green light to ride roughshod across international frontiers anywhere in the Arab world.

Washington Post Writers Group.

## The Finns Are Looking Down No Longer

By William Pfaff

adopted a foreign policy of strict neutrality, meant to reassure Soviet leaders that Finland would defend its own territory, and thereby Russia's, even from an intrusion from the West. At the core of this policy, developed between 1944 and 1947, was

*The '40s and '50s were desperate years. Today, Finns are more open. Finland is booming.*

that Finland abstained from any comment on superpower matters that did not directly concern it.

There has recently been a change in the quality of this neutrality that has troubled some Western observers and some Finns as well. Two incidents are cited. Finland's government two years ago took a formal stand in favor of the total prohibition of nuclear weapons. This was consistent with Sweden's position, but amounted to a criticism of the North Atlantic Treaty Organization doctrine that holds it is indispensable in the deterrence of Soviet attack that NATO not renounce the first use of nuclear weapons. The second inci-

dent was Helsinki's vote in 1983 in favor of a United Nations resolution condemning the U.S. invasion of Grenada. Finland had abstained on the UN vote that condemned the Soviet invasion of Afghanistan.

These developments have been called a departure from the established standards of Finnish neutrality. They clearly reflect the influence in Finland of that political moralism that is such a powerful factor in Sweden and Denmark. This is a moralism that often observes a double standard. The West tends to be its chief target, whereas usually is taken for granted that criticism of Soviet policy will have no desirable effect.

There is a further explanation, however, for what the Finns now call "positive neutrality." Past policy expressed exactly that deep pessimism reflected in the public art of the capital. The 1940s and '50s were desperate years of draconian indemnities to Russia, in a Cold War atmosphere. Today the Finns can afford to behave more like their Nordic neighbors, even lecturing the West, because they have a new confidence in themselves. They feel good about their future.

They have reason for this. Finland today is prospering, booming. In recent years the country has experienced consistent economic growth at a rate of 3 percent or better, with rising employment and falling inflation (6 percent expected this year, 5 percent forecast by the Organization for Economic Cooperation and Development for 1986). Investment is high. Since the 1960s, Japan is the only advanced industrial nation to enjoy a higher consistent rate of wealth per inhabitant than Finland. This comes on top of an already higher level of individual wealth — higher than in Britain. The Finns believe that they have become the Japan of the north. This is not an empty claim.

The dynamism and new optimism of the Finns is reflected in the country's foreign policy. This is a sign of confidence, not of weakness. Indeed, a troubling question for the future is not Finland's overshadowing by Russia but the reverse. How will the Russians react as the contrast widens between their own backward economy and retrograde society and the prosperity and dynamism of the five million Finns? These Finns, once made up a poor and rural province of the czarist empire. Their present prosperity is displayed on television programs seen in Russia, in a language understood in Estonia. Finland's rich and sober capital is regularly visited not only by Soviet officials but by large numbers of ordinary Russians on tour parties. It must make them think.

JAY HENDERSON, Hong Kong.

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## FROM OUR OCT. 4 PAGES, 75 AND 50 YEARS AGO

**1910: China Opens National Assembly**  
PEKING — Today [Oct. 3] is notable in China's history, witnessing the inauguration of the Constitutional Assembly, the first Chinese national body embodying the principle of popular representation. The greatest enthusiasm prevails throughout the empire and the Dragon flags are flying everywhere. In opening the Assembly, the Regent declared that it represented the people's verdict, and although only the initial step towards a constitution it was an emblem of hope in the country's great future, showing that China is in accord with the world's progress. The Regent recognized the need for improved conditions and harmony between all classes. The inauguration of provincial Assemblies last year marked the first stage of representative government in China. The Constitutional Assembly extends the representative principle to the empire as an entity.

**1935: Italian Troops Invade Ethiopia**  
PARIS — War began in Ethiopia [on Oct. 3] with the advance of Italian troops on two fronts. Addis Ababa, scene of Italy's defeat 39 years ago, when 14,000 Italians fell before the spears and guns of Ethiopian warriors, was bombed by Italian warplanes. Mussolini's Air Force also rained bombs on the nearby towns of Adigrat and Agame. Hundreds of people, including women and children, were killed, according to Addis Ababa dispatches. Rome dismissed the charge as "an old and much-abused expedient." Messages pouring out of the Ethiopian capital told of the Italian advance. The Italians began their forward movement before dawn from Wal-Wal, on the Italian-Somali frontier, in the south, as well as from Eritrea, in the north. A Customs Agency dispatch published in Paris gave total casualties in the first day's advance as 1,700.

## INTERNATIONAL HERALD TRIBUNE

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France. Tel.: (1) 747-1265. Telex: 612718 (Herald). Cables: Herald Paris. ISSN: 0294-8052.

Directeur de la publication: Walter N. Thayer.  
Asia Headquarters: 34-34 Hareway Road, Hong Kong. Tel.: 3-35518. Telex: 61170.  
Manila: Dr. U.K. Robinson, 61 Long Acre, London WC2. Tel.: 836-4802. Telex: 562008.  
Gen. Mgr.: W. Germany: W. Luebeck, Frankfurt: 15, 6000 Frankfurt/M. Tel.: (099) 26753. Telex: 416721.  
S.A. au capital de 1,200,000 F. RCS Nanterre B 7320212. Commission Paritaire No. 61337.  
U.S. subscription: \$322 yearly. Second-class postage paid at Long Island City, N.Y. 11101.  
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## Parisian Anglers' Renaissance

PARIS—That Parisians are very contrary is hardly news. Pleased with themselves for being Parisian, they nonetheless use the word *parisien* to denote a sort of factitious sophistication. Urbane, they detect city slickers. Instead of skyscrapers and Mr. Pei's pyramid, they cherish for their village-like atmosphere

### MARY BLUME

small squares like the Place Dauphine. Even families who have lived here for generations are nostalgic for their rural roots.

So it can only come as good news that even the most dynamic Parisian executives may soon hang on their glassy office doors that most sympathetic of signs, "Gone Fishin'." In the once-polluted Seine, the fish are biting again and fly fishermen are heading for trout-stocked lakes in the Bois de Boulogne.

Last week at the fourth Salon de la Pêche de Loisir, an international trade show for fishing tackle manufacturers, there were the usual displays of rods and reels, dry flies, wet flies, streamers and nymphs, waders and creels. There was also a display stand for APNLE (l'Association des Pêcheurs de Neully-Levallois et Environs), a group that has pioneered trout fishing in the Bois.

APNLE is headed by a massive, blushing super-pompier named Edouard Armiral who is based in a landlocked Paris firehouse but who dreams of the trout in his native Pyrenees. Almost single-handed, he has organized the stocking of six lakes in the Bois de Boulogne, as well as fly fishing lessons for members of his group and jolly meetings where Parisians can tell each other about the one that got away. On APNLE's display stand was a huge stuffed carp caught in the Bois. It weighed 27 kilos (59.5 pounds).

Another stand at the show belonged to the fishing magazine "Le Pêcheur de France," which has in its current issue a splendid article, "Take the Métro to go Fishing." It was written by Michel Drouilliot — who also covered urban angling for *Le Monde* — with photographs by an ardent native Parisian angler, Jean-Claude Dufurat. Both men are in their 30s.

The Seine is a lot cleaner than it once was and fish are rising to the bait. The older generation of fishermen with their long bamboo rods has died out and younger Parisians do not yet know of the pleasures in store. At the moment, Dufurat reckons, there are only 200 anglers in central Paris. It is, so far, a sport devoid of snobbery — popular and very easy-going.

The quality of the Seine was deplorable from 1968 to '78, and 1973 was the most polluted year of all, Drouilliot said. "That was such a bad year that things could only get better, and they have."

Of course the passerby (the Paris angler who seeks peace may as well hang up his rod) always asks the fishermen if they eat their catch. Dufurat's answer is always the same.

"Sure, and I don't need to grease the pan because they are so oily." In fact the quality can be so good that some anglers are thought to be professional restaurateurs cutting down on fishmongers' bill.

"Fishing is Paris is very difficult, very chancy — a 3- or 4-kilo carp can get across the Seine in no time at all," Drouilliot said.

"You can get 20 kilos a day or nothing at all."

Isn't that the usual angler's lament? "Yes, but Paris is particularly tricky, and Paris is particularly full of fish."

The most common catches, rubber tires and old boots aside, are *garden*, or roach, which is fried when small and baked when large; *arbelète*, which translates into the unfortunate name of bleak; *sandre*, which doesn't seem to translate at all; and the occasional pike and perch. Fishing is allowed all year except for a brief closed season on pike, and the simplest tackle will suffice.

The two best spots for city fishing are probably the Allée des Cygnes, below the replica of the Statue of Liberty on the Pont de Grenelle, and the bank of the Ile St. Louis between the Pont Louis Philippe and the island's western tip.

"The carp off the Ile St. Louis are especially lively," Drouilliot said, "and for some reason they always follow the same route, starting from the bank, swimming to the Pont Louis-Philippe, and then taking the diagonal to the Hôtel de Ville."

"The carp at the Ile St. Louis are very strong," Dufurat said. "A three-pounder has as much fight as a ten-pound trout."

ANOTHER good spot is next to the outdoor swimming pool, the Piscine Deligny. The long-popular Canal St. Martin is terribly noisy and parts have been blocked off, but at its bottom lurk *exuvies* (larvae) eager to swallow a hook baited with potato or carrot. (A French company that specializes in powdered ground bait to be sprinkled on the water's surface — flavors include couscous, barley and coconut — recommends a mixture called Magic Sensass for Paris, but ordinary maggots or earthworms are sufficient and can be found more easily than one might suppose at stores along the Seine.)

The left bank of the Ile St. Louis is too noisy for pleasant fishing. The Ile de la Cité offers Notre Dame but nothing special in the way of fish. The Pont de la Concorde is one of the rare spots where one can find *tanche*, a fish the Larousse Gastronomique describes as delicate when it does not taste of mud.

Dufurat said it was not rare to catch 20 kilos of fish within four hours. "In that case, I take them out of the water. I look at them. I photograph them. And then I put them back in the water. I might keep one for dinner, but not the biggest because that is rarely the best one to eat."

He is skillful enough to have entered trout fishing competitions in the Bois de Boulogne, but he does not believe in such contests. "They are too serious. Fishing is serious, but one mustn't take oneself seriously."

The organizer of the trout competition, Edouard Armiral of APNLE, said the lakes in the Bois always contained 800 to 1,000 trout these days. "We add about 200 kilos a month," he said, "and they range in size from 300 grams to 8 kilos."

The next big competition, Oct. 13 at the Lac du Reservoir near the Grande Cascade, is expected to attract 120 contestants, including some from England. Said a British fly-fisher, who was showing off his craft at the fishing tackle trade show, "Anyone mad enough to go trout fishing in the Bois is mad enough to buy one of our flies to fish there."

The pragmatic Englishman was not reckoning with the special dreaminess of Parisians. "We would like to think of people coming home from their offices, picking up their fishing gear and just dropping a line for an hour or so. What relaxation, what escape," Edouard Armiral said.

"It was a crazy dream at the beginning," he added. "But sometimes crazy dreams work." They do: Although Paris-based, his is the biggest fly-fishing club in France.

Armiral and his fellow fishermen are probably reflecting a collective nostalgia of the sort that inspired a prefect of police nearly 20 years ago to declare hunting season open in Paris.

When a city councilman objected that hunting was illegal in Paris, the prefect, Maurice Grimaud, poetically replied:

"The prefect of police did not wish to deprive Parisians of dreams so badly needed in urban settings. He liked to think that because the season was open, more than one Parisian might go to work of a morning a little less morose, dreaming, as he passed building sites, of open land and forest trails, and mistaking for a friendly gamekeeper the first traffic cop he meets."



Waiting for a nibble behind Notre Dame.

Jean-Claude Dufurat

## Political David Hare, Leader Of the Angry Younger Men

by Mel Gussow

NEW YORK — For a playwright, the moment of artistic self-identification can come with his first produced play, or, perhaps, with an early effort. In David Hare's case, the turning point occurred with his third full-length play, "Knuckle," a convoluted mystery dealing with corruption.

The circumstances of the play are characteristic of the author's unorthodox career. After finishing it, he showed it to his agent, who rejected it. Hare then gave it to another agent, who loved it. "Knuckle" was optioned by a major commercial producer and presented on London's West End in a 1974 production starring Edward Fox and a Canadian actress named Kate Nelligan. Hare, largely known as a promising playwright-director in the alternative theater, was convinced that the play would be a success.

As it turned out, the reviews were generally negative and the audiences nonexistent. In a day, the playwright went from elation to depression. The play ran, however, and people began discovering it. Some stormed out of the theater in outrage, others returned to see the play again. What gave Hare confidence was the knowledge that he could evoke passion in people. "Knuckle" confirmed his hope to be a playwright, and it branded him as controversial. In the 11 years since, he and his work have been surrounded by what he refers to, melodramatically but accurately, as a "swirl of passion."

All of his plays — including "Plenty," the film version of which recently opened: "A Map of the World," which opened this week at the Public Theater in New York; and "Pravda," the Fleet Street comedy written in collaboration with Howard Brenton — as well as his movies and television films have provoked similar reactions, polarizing audiences and critics.

That Hare is a playwright with a political consciousness — at 38, the most prominent of a second wave of Angry Young Men — only deepens the controversy. At issue in his work are such subjects as the collapse of the British empire, the debilitating effects of the class system, the myths of patriotism, the loss of personal freedom. Peter Hall, artistic director of London's National Theatre, who produces Hare's plays, calls him "one of the great disturbers" — a disturber of the theatrical peace.

KNOWING Hare only from his work, one would expect to meet someone abrasive instead of the polite, genteel person he is. Not until a recent lunch in New York did I become aware of the depths of his reserve. With a suspicious glance at my tape recorder he said, "My girlfriend said the other day, 'If people who think of you as a well-known playwright only knew how much of your time is spent cowering in doorways in order to avoid meeting people you're too shy to speak to.'"

Referring to Joseph Heller's novel "Something Happened," Hare explained: "Some people give other people 'the whammy,'



David Hare

Camera Press

Heller says it has nothing to do with power, sex or position. It's just that in some people's presence, other people can't make sentences. They talk gibberish. That's me."

Having watched him direct actors in rehearsal and heard him mimic some of his contemporaries, I suggested that perhaps he had a latent talent for acting. He seemed horrified at the thought. "I can't act," he said flatly. "Acting involves access to your feelings. I can't summon up a feeling without becoming self-conscious."

That Hare is a playwright with a political consciousness — at 38, the most prominent of a second wave of Angry Young Men — only deepens the controversy. At issue in his work are such subjects as the collapse of the British empire, the debilitating effects of the class system, the myths of patriotism, the loss of personal freedom. Peter Hall, artistic director of London's National Theatre, who produces Hare's plays, calls him "one of the great disturbers" — a disturber of the theatrical peace.

Hare's later collaborator, Brenton, said in admiration: "That line is irony with an almost tragic weight. You're thinking, 'Indeed, Susan, there will be days and days like that — and you're not going to have any of them.'"

When "Plenty" opened at the National Theatre, the reviews were discouraging. Stubbornly, Hall kept the play in the reper-

tory until, slowly, it gathered an audience and critical respect. Four seasons later, "Plenty" went to Broadway and was an immediate, though controversial, success.

For a time after "Plenty," Hare was at a loss for a subject. Then, on the way home from Australia, he stopped in Bombay and his mind was bombarded with images of the Third World. The result was "A Map of the World," which views the entire Third World through a UNESCO conference whose principal speaker is a character named Victor Mehta, an esteemed Indian novelist who in the course of the play is pressured to recant political positions. Mehta, played in New York as at the National, by Roshan Seth (Nehru in the movie "Gandhi"), is deeply conservative, politically the opposite of Hare. Yet Mehta's arguments are presented with so much wit and charm as to convince anyone unfamiliar with Hare that he is meant to be the playwright's spokesman.

IN London, Anthony Hopkins won acclaim as Hare and Brenton's character Lambert Le Roux, a diabolical pirate, most of whose victims deserve to walk the plank. He is the dark soul of "Pravda," a composite comic portrait of Fleet Street tycoons. Lambert makes an art of soul stealing. After seeing "Pravda," the novelist Philip Roth sent Hare a letter saying that the playwright's major talent was obviously for the satanic and the malign. "That certainly gave me pause," Hare said.

"Pravda" was Brenton's idea, proposed last year as a subject too large for one of them to handle alone. Though each writes his plays with painstaking slowness — Hare in longhand in his London study — they did "Pravda" in a flurry, eight months from first word to opening night.

Besides the sinister Le Roux, there are various hypocrites, frauds and fools on stage, in the government as well as in the press, including a drama critic who sleeps under the copy desk and a rising young journalist who offers a moral justification for a newspaper's not admitting its mistakes. People trust a newspaper, he says, and to print a correction is "a kind of betrayal. It's a matter — finally — of journalistic ethics."

Though the play is a collaboration, it is right in line with Hare's insistence that plays should respond to their times. For him, being a political playwright comes with the national territory — and his major theme is "the cost of living lies" and the price one pays for "deciding not to live lies."

One of the many paradoxes of Hare's life is that, while remaining true to his politics, he has become an insider, sending his messages out from major platforms, beginning with the National, where he is an associate director as well as playwright. As a confirmed leftist, he could be regarded as a mole in residence — except that he is a mole welcomed by the man in charge, Hall, who seems to regard him as a kind of house dissident.

Hare sees no contradiction in his presence there. "In England," he said, "subsidized

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## Stroheim's Art Recalled in 100th Anniversary Year

by Thomas Quinn Curtiss

ERICH von Stroheim died in 1957, known to younger moviegoers chiefly as the defeated film director turned former star's valet in "Sunset Boulevard," and remembered by surviving studio bosses for his insane insistence on realism and his generous spending of their money.

As a pioneer, together with D.W. Griffith and Charlie Chaplin, he raised American cinema from mechanical mediocrity to an art form. This year is the centennial of his birth, and his contribution is being rediscovered. A program of films he directed found responsive audiences in Los Angeles, and a newly edited version of his unfinished film "Queen Kelly," which he wrote and directed for Gloria Swanson at the request of Joseph P. Kennedy, was recently released.

A legend of Hollywood's golden age, Stroheim rose from the ranks of extras to command some of the most amazing and original projects in cinema history. Once he plotted a coup to occupy Universal City with troops and take over its management. He abandoned the plan on his wife's advice: "They don't do such things in America."

Ben Hecht referred to him as "the wild man of movieland." For Sergei Eisenstein he was the director, Louis B. Mayer disliked him for his low opinion of Mayer's mentality and his cynical remarks about women.

He was born Sept. 22, 1885, in Vienna. His account of his background has been questioned; the ennobling "von" in his name may have been his own addition. He is said to have

been educated in a military academy and to have served as a lieutenant in the imperial army.

In about 1909 he left Austria to try his luck in the United States, where he wrote for a local German daily, did a hitch in the National Guard, sang ballads in beer halls. As a traveling salesman for a dress company he reached San Francisco in 1912. In California he worked as a railroad section hand, as a forest warden and as a lieutenant at a Lake Tahoe hotel. His cavalry training brought him a job as a riding master and he arrived in Los Angeles in charge of a carload of horses.

HOLLYWOOD was already a center of filmmaking in 1914. This jack-of-all-trades Austrian decided to try acting. After long waits in the extra pools, he made his screen debut as a black Confederate soldier who falls from a roof when pierced by a Yankee bullet in "The Birth of a Nation." D.W. Griffith, Douglas Fairbanks and others engaged him as an assistant and part-time player, giving him a chance to study the new-fangled medium's techniques thoroughly.

When the United States entered World War I, Stroheim's accent, sinister scowl, monocle and military manner might have led to his arrest; instead they contributed to his cinematic progress. He was cast as a dastardly Hun in propaganda films. Billed as "The Man You Love to Hate," he was seen seeking to seduce Red Cross nurses, throwing babies out of windows and ordering Belgian peasants executed by firing squad.

Carl Laemmle, the German-born founder of Universal Pictures, visited the scene of this villainy and congratulated

Stroheim on his realistic acting; Stroheim begged a private audience, sold Laemmle a script he had written, won permission to direct it and secured the leading role, that of an Austrian doctor on furlough in the Tyrol who makes a fatal play for the wife of a visiting doctor.

He had titled it "The Pinnacle," but Laemmle said: "People will confuse it with 'pinnacle.' We'll sell it as 'Blind Husbands.' There are more of them than pinacles." "Blind Husbands" struck gold. It was different, a bit shocking, expertly acted and directed, introducing a fresh style. It established Stroheim as a leading filmmaker.

Laemmle was delighted with his find, who without delay delivered "The Devil's Passkey," set in Paris after the Armistice. Stroheim wrote and directed but did not act in it.

He then designed a glittering spectacle of high life in Monte Carlo, with the central role written for himself: an impostor preying on idle rich women. Entitled "Foolish Wives," it was advertised as the first million-dollar movie, and the "S" in his name was a dollar sign.

During its filming, trouble began to brew. The production required almost a year to complete and the writer-director-star had a habit of adding scenes to his script. He refrained from this only when his cameras and lights were taken away from him. The miles of film he had shot were given to others to edit, which angered him greatly. Nonetheless, the venture was a huge commercial success, with complaints about its immorality bringing long lines to the box offices.

Another lavish spectacle seemed in order, so Stroheim wrote "Merry-Go-Round," set in Vienna before and after the war. He had Vienna's streets, palaces and playground

re-created and Emperor Franz Josef's golden carriage purchased for a parade tableau.

A young Universal executive, Irving Thalberg, viewed these expensive preparations with misgiving. He had another actor take the role Stroheim had written for himself; then, after several weeks of shooting, Thalberg replaced Stroheim with a studio hack as director — a high-handed move that shocked Hollywood, for it meant that studio executives would henceforth be in actual command of filmmaking.

Other studios, however, were eager for Stroheim's services. The Goldwyn company signed him at once and left the subject matter to him. He chose Frank Norris's 1899 novel "McTeague," a Zolaesque tragedy of the San Francisco slums — and filmed it not in a studio but in the mean districts of the city and in Death Valley, site of the novel's finale. Six months later he delivered his masterpiece, named after the novel's theme: "Greed."

Meanwhile, though, Goldwyn had merged with Metro to form MGM. Stroheim's bosses were now Louis B. Mayer and his old nemesis Thalberg, who had joined MGM as manager of production.

"Greed's" 42 reels required seven hours of projection, which Stroheim proposed splitting into two showings. Mayer and Thalberg rejected this suggestion and a shorter compromise, butchering the film down to 10 reels. Even in this form, however, it retains its majestic sweep of destiny and its dramatic impact.

Before he could terminate his association with MGM, Continued on page 9



Erich von Stroheim

The Associated Press



Jack Marshall

Recent recordings by minimalist composers include "Satyagraha" by Philip Glass, above; "The Desert Music" by Steve Reich, left; and two albums by Terry Riley.

## New Notes on the Minimalist Aesthetic

by John Rockwell

NEW YORK — The founding trio of minimalist composers — Terry Riley, Steve Reich and Philip Glass — have long resented being grouped together. Reich has been particularly bitter about what he feels to be a diminishment of his individuality. Yet the grouping, especially the pairing of Reich and Glass, continues, and not just by critics. It is perpetuated by the record companies, which have poured new releases by all three onto the market recently. One company, Nonesuch, almost simultaneously came forth with recordings by Glass and Reich.

Despite wounded egos, the grouping continues to make sense. The three share an overall meditative, repetitive aesthetic, one that rewards concentrated attention to subtly shifting configurations of reduced materials. Their very differences, ever more overt over the past two decades, do not so much invalidate the grouping as cast fascinating new light on what they still share.

The most noteworthy of the new record releases from this trinity — albeit an unfortunately flawed album — is Glass's three-LP "Satyagraha." The release is noteworthy because this, Glass's first opera for conventional forces (completed in 1980, following "Einstein on the Beach" for electric ensemble and untrained voices, and preceding "Akhnaten") is one of his finest works.

The subject is the young Gandhi in South Africa, as he crystallized the philosophy of nonviolence that was later to help

free and unify India and to prove so powerful a weapon in the American civil rights struggles of the 1960s. The text is drawn from mythically appropriate passages from the Bhagavad-Gita and sung entirely in Sanskrit. The music, scored for unamplified operatic soloists, chorus, strings, winds and electric organ, captures with enormous conviction the rapt, meditative quality so suited to its subject.

The CBS recording was made with the New York City Opera, which will bring the work into its repertory next fall; it has much to recommend it. Douglas Perry is the fine Gandhi, and Claudia Cummings, Rhonda Liss, Scott Reeve, Robert McFarland and Sheryl Woods provide satisfying vocal authority in the other parts. On the whole, the City Opera chorus and orchestra handle the music tidily, too, though without the richness and weight brought by the Wurttemberg State Opera in its production in Stuttgart (as seen on a German telecast tape).

And here we begin to encounter the problems. Overall, this recording is too brusque, quick and overwrought to best convey the glowing calm of Glass's music. This is odd, since the composer was involved in the choice of performers and in the recording process. But the conductor, Christopher Keene, consistently chooses tempos that are too fast, and shapes the phrasing too bluntly — as he does in so much of the more familiar music he conducts with the City Opera.

Dennis Russell Davies in Stuttgart, who treated this score as if it were a descendant of Bruckner's symphonies and of Wagner's "Parsifal," has a far more sympathetic insight into its secrets. Furthermore, Glass made a few cuts in the third act before the first American performance, then sliced away still

more for the recording, which contributes to the abrupt quality. The recording was made like a rock record, with multiple overdubbing to achieve the ensemble effect. That might contribute to the sense of schematic rigidity in the musicmaking, except that Keene's conducting too often sounds that way in the theater. More damaging is the use of reinforcing synthesizers and artificial echo. There is nothing wrong with either of these techniques — both can be exciting, especially in music conceived with such imbral mixing in mind. But here the additional synthesizer parts lend the loud portions a rubbery bass-heaviness and a crude, neon-lit brightness.

It's as if not just Keene but those overseeing the production, Kurt Murkacsi and Michael Riesman, distrusted Glass's work for conventional classical forces and wanted to reclothe it in semi-rock guise. As members of Glass's ensemble, perhaps they miss the punchy electronic intensity of that sound, and have thus, consciously or unconsciously, made the "Satyagraha" orchestra conform more closely to what they're used to.

That all said, "Satyagraha" remains a lucid, limpid joy for anyone susceptible to its charms. This is the only recording the work is likely to get for years to come, and it hardly destroys all the work's many beauties.

Also out is Glass' single-disk soundtrack album from Paul Schrader's film "Mishima." Although Schrader cut the film to a temporary synthesizer version of the music, he also made the inevitable nips, tucks and pads, adapting the music to his needs.

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## FOR FUN AND PROFIT

## To Save Money on Travel, Start Your Own Agency

by Roger Collis

HOW can a company cut its travel costs about 10 percent, get better travel service and make a pretax profit of 5 percent or more on every travel dollar it spends? By going into the travel business — not by going it alone (this can be costly and hazardous for a company that lacks expertise and clout in a jungle of airline deals and bulk discounts) but by forming a joint venture with an established travel agency that will manage and staff an agency on the company's premises, dedicated to its specific travel needs, in return for 50 percent of the profit.

So far, 20 companies, including banks, advertising agencies, multinational trading and construction firms and a Fleet Street newspaper, The Daily Telegraph, are doing just this through a novel program called the Phoenix Travel Partnership, marketed by a London-based group, Phoenix Travel.

A company with an annual travel budget of at least £300,000 (\$420,000) enters into a partnership with the holding company of Phoenix Travel. A new travel agency is formed with a paid-up share capital of £20,000, the minimum required for recognition by the International Air Transport Association. Each partner holds 50 percent of the equity. The board consists of executives from both sides. The manager and staff are appointed and trained by Phoenix. Premises, usually in the company's building, are rented to the joint venture. The agency may work exclusively as an in-house travel department or solicit business from outside. For example, The Daily Telegraph, to its surprise and delight, has built up an agency with annual sales of more than £1 million, only 20 percent of which is for the newspaper.

Phoenix is a privately held company with revenue of £30 million (75 percent of this in joint ventures) and pretax profit of about 4 percent. Profit at some of the joint ventures is as high as 10 percent. Michael Lancaster, Phoenix's chairman, said the program was so successful that "group profit per £1,000 of turnover is higher than any of the multiples" or major travel agencies such as Togg Robinson, Lunn Poly and American Express.

Competition in the business-travel market has become so intense that travel agents now corporate customers with promises of cost savings, improved services, management information reports and discounts on air fares and hotels. Most agents give extended credit to corporate customers — for instance, 45 to 60 days — even though the agents have to pay the airlines by the 15th of the following month. Agents routinely give customers rebates on their normal 5-percent commission; 2 to 3 percent is usual, 6 to 7 percent not uncommon. Consequently, agents may be earning as little as 1 to 2 percent on turnover.

The problem is that, however high a discount you get, you can never be sure the agent is choosing the most economic way to go. Agents earn "override" commissions on some airlines and routes, which can be as high as 40 percent. Apart from not passing these on to you, they may be biased in sending someone on a direct flight from London to Dar es Salaam instead of a less expensive routing through Geneva.

Iqbal Meer, general counsel of ITM, a \$500-million trading conglomerate that has joint ventures with Phoenix in London and New York, said it was also a question of commitment. "If I went to the travel agent down the road with 12 destinations in Africa and asked him to let me have the most cost-effective itinerary for routing one of our executives, he will probably have to spend half a day to work it out. Now, whether he's prepared to do that service for the ticket he's going to sell me, I have my doubts."

## David Hare Continued from page 7

theater is under attack from a right-wing government. Let us, therefore, use the National Theatre to attack that government from a nationalized stage."

With prospering careers as playwright, director and filmmaker, Hare is peripatetic. He spent the summer on the run between London and New York, redirecting the production of "Pravda" at the National, directing "A Map of the World" in New York, preparing for the opening of the movies "Wetherby" and "Plenty" and finding time to take his three children camping in France.

Redirecting "Pravda," Hare led his actors through small alterations in dialogue, occasionally acting out a sequence and belying his professed lack of ability for performing. His directorial approach was confidential rather than autocratic, yet there was never a question about who was in charge.

In New York, rehearsals of "A Map of the World" were demanding. The production is physically complex and there was the additional difficulty of getting the American actors adjusted to unfamiliar political material and a fragmented, cinematic style of storytelling.

One day, rehearsing at the Public Theater, Hare — dressed in his customary jeans and sneakers, shirtless rolled up — stood in the orchestra and led his actors slowly through their paces, worrying less about the lines than about stagecraft. At one point, he told Elizabeth McGovern, who has a leading role, that he wanted her not to be naturalistic but to be in a state of "animated suspension."

Both the director and the actress smiled at that. How do you play "animated suspension?"

Staff of the Phoenix ventures, on the other hand, have every incentive for saving money and providing the best possible service, because they serve two masters. "We have an organization within the organization which we can control," Meer said.

A director of a major international advertising agency that formed a joint venture with Phoenix three years ago said: "What started off as a way of tidying up our administration by putting all our travel together in the building and getting a better service has been developed into something that is giving a real financial return. Last year we saved £25,000 to £30,000 on our travel bill — that's about 12 percent — and made 10 percent on pretax profits. We are now thinking of the joint venture as part of our mainstream business."

Harbourne Stephen, managing director of The Daily Telegraph, is thinking along similar lines. His joint venture, with its turnover

## Some travel ventures are providing a real financial return.

of £1 million, has pretax profit of 6 to 7 percent. He believes turnover could grow to £1.5 million without adding staff.

All of Phoenix's joint ventures benefit from the override commissions and bulk discounts negotiated by the group. "We hide nothing," Lancaster said. The benefit to Phoenix is shared costs and the ability to open new ventures without capital risk. The parent company has virtually no overhead, as a condition for the partners is that they settle invoices by the 12th of the month. Typically, the company's computer is directly linked with that of its joint venture.

Lancaster said a major advantage of the program for American companies is that it provides a way to circumvent U.S. regulations preventing an organization from owning a travel company unless the corporation's travel business is less than one third of the travel company's turnover. This rule does not apply if an overseas subsidiary forms a travel joint venture and sets up an office in New York, as ITM and at least one other major bank have done. Another advantage of having a joint venture in New York and London is that the two offices can work out the best way to ticket international travel.

Some joint venture partners use their travel agencies as a means to transfer money from countries with stringent exchange control regulations. This can be done by prepaid ticketing and other more arcane methods that Phoenix is reluctant to talk about. Some companies use their share of the profits to give untaxed travel benefits to executives. And all employees of joint venture partners get a 5-percent discount on vacation packages.

There is one perk in particular that may tempt the most skeptical company into running its own travel agency: As a director, an executive qualifies for agency staff rebates on air tickets, car rentals and hotel rooms. For example, each of IATA's 60 airlines allocates two tickets a year at a 75-percent discount to each accredited sales office. Non-IATA airlines may be even more generous. And many carriers offer free tickets as promotions and rewards for a certain volume of business. This means that even the most peripatetic executive can enjoy virtually free travel anywhere in the world.

With "Map of the World" opening, he can now concentrate on other matters, beginning with his next movie, "The Butter Mountain," to be filmed in France. In his previous work, women have generally acted as a kind of moral conscience. "The Butter Mountain," he said, will center around a woman who Hare called "absolutely devoid of redeeming qualities." Let Philip Roth make of that what he will.

Reflecting on his youth, Hare said: "I used to go to the dry dock when my father's ship was being overhauled. I loved those ships." He described what he called the "lower life" below deck, and the elegance above. "As purser, my father had a nightly cocktail party. You still dressed for dinner on ships in the 1960s."

Years later, in Australia, Hare visited Sydney Harbor. He recalled: "I was sitting at the wharf by a window in a Chinese restaurant. It was 9 o'clock at night and suddenly my father's old ship, the S.S. Oriana, came into the harbor and it moved right past the wharf. Its lights were on, and it was just the most beautiful sight. It was very, very romantic." His eyes seem to light up at the memory. "Those ships," he said, "were islands of timelessness."

Beneath the apparent contradictions of Hare, and beyond the political consciousness, is an idealistic yearning for improvement, in his own work, in the theater, in Britain. The impulse is almost visionary. One feels that he is dreaming of the "days and days and days" to come.

Excerpted from The New York Times Magazine.

## CONNECTICUT'S Small Shoreline Towns

by Nancy Jenkins

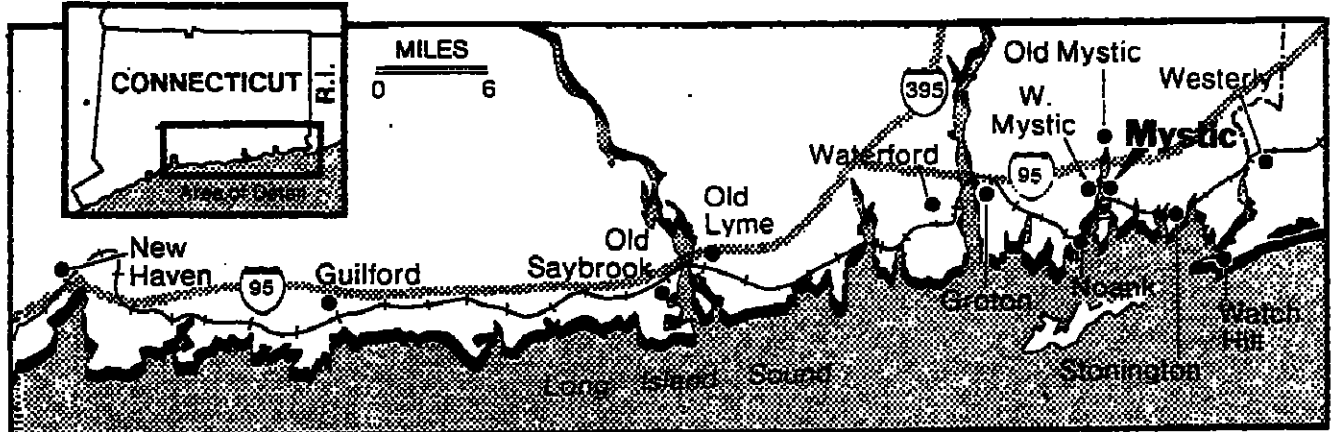
CONNECTICUT may officially be part of New England, but there are vast stretches from the New York border eastward that look suspiciously like suburbs of New York City. Not until you get beyond New Haven does New England really begin. There the population starts to thin out, the urban sprawl swings north toward Hartford and the shoreline's towns and villages begin to take on that air of huddled concentration around a harbor, a river, a white-painted steeple that spells New England in earnest.

With easy access from New York — by car along Interstate 95 or on Amtrak's Boston-bound trains, many of which make stops on the shoreline — these quietly bustling, handsome little towns have a special appeal. They are full of interest and even a certain easygoing, rusticated kind of sophistication.

Guilford, Saybrook, Lyme and Old Lyme, Waterford, Groton and Stonington — the towns along this stretch of the Connecticut shore have their origins largely in the mid-17th century, when disgruntled and adventurous offshoots of the colony of Massachusetts Bay Puritans threaded their way down the winding rivers and along the deeply indented shoreline south of Cape Cod. From their earliest beginnings, these were towns that made their living from the sea — fishing, coastal trading and, for a brief but glorious period, whaling. Shipbuilding was the most important industry, the one that made all the rest possible.

The towns still focus on the sea but today are apt to be geared toward recreation. While Stonington is still a commercial fishing port of some importance, and the old shipbuilding tradition is maintained at General Dynamics' Electric Boat Division in Groton, this kind of enterprise is limited. Yacht clubs and sailboat refurbishers are more common than the old shipyards, and ship's chandlers, ropewalks and sail lofts have been replaced by hotels, restaurants, gift shops and the inevitable condominiums.

Of all the towns along the shore, none was more important in its mid-19th-century heyday than Mystic. The town's chief chronicler, Carl C. Cutler, a founder of the Mystic Seaport Museum, said this little town, hardly more than a village, produced "more noted captains, a greater tonnage of fine ships and a larger number of important sailing records than any place of its size in the world." Cutler estimated that more than 1,000 ves-



The New York Times

sels, from 30-ton sloops to the 1,679-ton Cape Horn clipper David Crockett, had been built along the banks of the Mystic River over a century and a half — an astonishing record for a town whose population rarely exceeded 1,500.

Much of Mystic's appeal is as a center from which to explore the surrounding seashore and the hills that rise behind the shore. Along with the broad stretches of sandy beachfront, there are nature preserves with well-marked trails, vineyards, cider mills, and other, almost equally charming towns and villages within easy reach. Fishing boats and sailboats can be hired for daylong and half-day excursions.

The star attraction is the Mystic Seaport Museum, a monument not just to the past of a Yankee whaling and shipbuilding town but to the maritime history of the United States. Begun in 1929 as a local marine historical association, the museum is not, as popularly believed, a re-creation of the 19th-century town of Mystic. Drawn from many sources, it is intended to be an idealized New England seaport.

On the nearly 40-acre (16-hectare) site of the George Greenman shipyard, one of the largest shipbuilding outfits in Connecticut in the mid-19th century, the museum has 60 buildings, including houses, shops, industrial and commercial buildings, even the tiny Fishtown Chapel. It also has about 300 historic craft, including the Charles W. Morgan, the last of the great Yankee whaling ships, built near New Bedford in 1841; the Joseph Conrad, a Danish-built, square-rigged training vessel; and the L.A. Dunton, a Banks fishing schooner built in Essex, Massachusetts, in 1921.

At this time of year, the crowds begin to thin and it becomes easier to glimpse what life must have been like in a town like Mystic 150 years ago. Much of the re-created town works: At the print shop, the Liberty clamshell platen press, built in 1880, prints documents for the museum; the shipsmith makes ironwork for rigging the seaport's vessels; at the Preservation Shipyard most of the constant work of restoring and refurbishing goes on in full view of the visitor.

The museum library is a valuable resource for researchers and students of maritime history as well as for genealogists tracing a family connection to New England. The Morris and Stanley Rosenfeld collection of historic ship and yachting photographs, a recent acquisition, should also be of great interest once it is cataloged and displayed.

As rivers go, the Mystic is short. It rises in a marsh of sedge and cattails, curves under the interstate, broadens in a smooth-flowing arc that divides the towns of Groton and Stonington, narrows again to sweep under the Mystic drawbridge, then courses down to the sea at Noank, about five miles (eight kilometers) from where it began. In good weather, the road to Noank — State Route 215 south from West Mystic — makes a splendid bicycle tour, with plenty of downhill runs to complement the occasional uphill struggle.

Mystic offers other attractions. Gravel, Cliff and High Streets, lined with early- and mid-19th-century homes of seamen, shipbuilders and whaling captains, climbing the hill to the imposing Union Baptist Church, provide a pleasant hour's walk. Farther afield, the Denison homestead, another his-

toric house, is next to the Denison Pequotsepos Nature Center, a 125-acre natural sanctuary with a number of trails, including one laid out for the blind, complete with braille notices. There are beaches at Noank and at adjacent Groton Long Point.

Five miles from Mystic along highway U.S. 1 is Stonington, which for all its atmosphere of literary and artistic gentility is home port for Connecticut's only remaining commercial fishing fleet. A good place to begin a walking tour of Stonington is at the far end of Water Street, where the Old Light house Museum, an octagonal tower and granite building, houses the collection of the Stonington Historical Society.

Stonington's houses are, if anything, better preserved, more numerous and of greater interest than Mystic's, and a stroll along Water and Main Streets is a pleasant way to occupy an hour or two. There are lots of gambrel roofs, lots of Greek Revival details and a certain amount of Tara-like pomposity. Like Nantucket, Edgartown and the old parts of Newport, which it much resembles, Stonington has streets lined with rather large houses set closely together and crowding out to the edges of their lots. The closeness of it all presents a sense that everything is well ordered.

Touring vineyards may not be an activity usually associated with the Connecticut shore, but the Clarke Vineyard (tel. 203-535-0235) on Taugwong Road, just north of Mystic, is a commercial vineyard (chardonnay, pinot noir, riesling, seyval) that welcomes visitors until about the middle of October, when volunteers are needed to help with the grape harvest.

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## Erich von Stroheim Anniversary Continued from page 7

Stroheim had to direct "The Merry Widow," starring Mae Murray and John Gilbert. He revised the opera libretto into a romantic melodrama that delighted pushing fans but had sardonic touches that pleased spectators of intelligence. Its success helped secure the future of MGM.

Pat Powers, an independent producer who was an old friend and admirer of Stroheim, now asked the director to do a film for his organization. Stroheim had in mind a story about Alt Wien starring himself as an Austrian prince forced to marry for money despite his love for a girl of the people. In essence it was a variation on "Old Heidelberg," but in its treatment "The Wedding March" was a study of a great empire in decay.

Again rebuilding Vienna, Stroheim had 37 magnificent sets constructed, reproducing St. Stephen's cathedral, the Hofburg palace and the Graben avenue. After "The Wedding March" had been before the cameras seven months, Powers grew worried and sold his holding to Paramount. The first half of the film has startling strength and pictorial splendor, but the second half was mangled by clumsy editing into a separate film and Stroheim forbade its showing in the United States. Seen abroad as "The Honeymoon," it was lost when the only known copy was burned in 1957 in a fire at the Cinematheque in Paris.

"Queen Kelly," begun in 1928, had been conceived as a silent film. When talking pictures seemed certain to replace the silents, Kennedy halted production. This action, it proved, terminated Stroheim's career as director. He was engaged by Fox to direct a talkie, "Walking Down Broadway," but uncomprehending executives withheld it from distribution and subsequently destroyed it. Stroheim was deemed a dangerous financial risk and he was reduced to acting under the direction of lesser men.

In 1936 he was rescued from oblivion by a call to act in a French film. His sympathetic performance as the German prison camp commander in Jean Renoir's "La Grande Illusion" restored him to stardom, and he was much in demand.

Though none of the major films Stroheim directed can be seen as he constructed them, all exude a compelling force. As a paragraph by a great writer can disclose his style, so these remarkable films reveal a distinctive creator. His methods warrant examination.

Frank Capra tells in his autobiography of his disappointment when as a message boy he watched Stroheim shooting a short scene for "Greed" that Capra concluded he could have got through in a jiffy. Certainly he might have registered the scene quickly, but to what effect? He mentions the endless retakes in work that took most of the night, the players on the verge of revolt as they were stung by bullying commands — all for a simple scene in an office, concerning a violent dispute between two men. But what went into the scene lent it a power that survives.

Stroheim cast a spell over his co-workers.

as a journalist who visited another "Greed" location testified. The company was about to rehearse a scene in the tenement house where the dim-witted dentist, McTeague, lives with his wife, Trina, who borrows the money she has won in a lottery as the two sink into poverty. Everyone connected with the

production spoke of McTeague and Trina as people might of neighbors, gossiping about their traits and habits. Here is the seed of the magic that made these characters real to audiences. The art of Stroheim was not so much matter-of-fact realism as form of direct communication.

"An artist of genius is one who creates without imitating, and who draws out of the depths of his own being the least predictable part of his work," René Clair once wrote. "How many in the history of the cinema fit this definition? Whatever their number, Erich von Stroheim is at their head."



# 2for1

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\$ 442 238 130

## DOONESBURY





| NYSE Most Actives |         |         |         |        |  |
|-------------------|---------|---------|---------|--------|--|
| Vol.              | High    | Low     | Last    | Chg.   |  |
| IBM               | 175 1/2 | 175 1/2 | 175 1/2 | +1 1/2 |  |
| AT&T              | 42 1/2  | 42 1/2  | 42 1/2  | +1 1/2 |  |
| Amgen             | 22 1/2  | 22 1/2  | 22 1/2  | +1 1/2 |  |
| Amgen             | 22 1/2  | 22 1/2  | 22 1/2  | +1 1/2 |  |
| Amgen             | 22 1/2  | 22 1/2  | 22 1/2  | +1 1/2 |  |
| Amgen             | 22 1/2  | 22 1/2  | 22 1/2  | +1 1/2 |  |
| Amgen             | 22 1/2  | 22 1/2  | 22 1/2  | +1 1/2 |  |
| Amgen             | 22 1/2  | 22 1/2  | 22 1/2  | +1 1/2 |  |
| Amgen             | 22 1/2  | 22 1/2  | 22 1/2  | +1 1/2 |  |
| Amgen             | 22 1/2  | 22 1/2  | 22 1/2  | +1 1/2 |  |

| Dow Jones Averages |         |         |         |      |  |
|--------------------|---------|---------|---------|------|--|
| Open               | High    | Low     | Last    | Chg. |  |
| Index              | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| Trans.             | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| Indus.             | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| Comp.              | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| Unemp.             | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |

| NYSE Index |         |         |         |      |  |
|------------|---------|---------|---------|------|--|
| High       | Low     | Close   | Open    | Chg. |  |
| 1222.21    | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21    | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21    | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21    | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21    | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |

| NYSE Closing |         |         |         |      |  |
|--------------|---------|---------|---------|------|--|
| Vol.         | High    | Low     | Last    | Chg. |  |
| 1222.21      | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21      | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21      | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21      | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21      | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |

| AMEX Diaries |         |      |         |         |         |
|--------------|---------|------|---------|---------|---------|
| Close        | Prev.   | Chg. | Vol.    | High    | Low     |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |

| NASDAQ Index |         |      |         |         |         |
|--------------|---------|------|---------|---------|---------|
| Close        | Prev.   | Chg. | Vol.    | High    | Low     |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |

| AMEX Most Actives |         |         |         |      |  |
|-------------------|---------|---------|---------|------|--|
| Vol.              | High    | Low     | Last    | Chg. |  |
| 1222.21           | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21           | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21           | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21           | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |
| 1222.21           | 1222.21 | 1222.21 | 1222.21 | +0.5 |  |

| Dow Jones Bond Averages |         |      |         |         |         |
|-------------------------|---------|------|---------|---------|---------|
| Close                   | Prev.   | Chg. | Vol.    | High    | Low     |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |

| NYSE Diaries |         |      |         |         |         |
|--------------|---------|------|---------|---------|---------|
| Close        | Prev.   | Chg. | Vol.    | High    | Low     |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21      | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |

| Odd-Lot Trading in N.Y. |         |      |         |         |         |
|-------------------------|---------|------|---------|---------|---------|
| Close                   | Prev.   | Chg. | Vol.    | High    | Low     |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |

| Standard & Poor's Index |         |      |         |         |         |
|-------------------------|---------|------|---------|---------|---------|
| Close                   | Prev.   | Chg. | Vol.    | High    | Low     |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21                 | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |

| AMEX Sales |         |      |         |         |         |
|------------|---------|------|---------|---------|---------|
| Close      | Prev.   | Chg. | Vol.    | High    | Low     |
| 1222.21    | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21    | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21    | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21    | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21    | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |

| AMEX Stock Index |         |      |         |         |         |
|------------------|---------|------|---------|---------|---------|
| Close            | Prev.   | Chg. | Vol.    | High    | Low     |
| 1222.21          | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21          | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21          | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21          | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21          | 1222.21 | +0.5 | 1222.21 | 1222.21 | 1222.21 |

## Shares Close Mixed in New York

**NEW YORK** — Share prices finished mixed in active trading on the New York Stock Exchange on Thursday after failing to muster an afternoon rally.

The Dow Jones industrial average fell 0.56 to 1,333.11.

Among the 1,980 issues traded, advances outpaced declines 783-717.

Volume totaled 127,540,000 shares compared with 147,330,000 on Wednesday.

Traders said stronger-than-expected late September car sales reports and President Ronald Reagan's assertion in Ohio that his tax plan would pass in this session of Congress helped lift the market in mid-afternoon trading.

But Trude Latimer of Evans & Co. said the predominant sentiment turned out to be disappointment that the market could not follow through on Tuesday's advance. She said the culprit for that failure Wednesday was the battering hospital management stocks received on news that hospital utilization rates were still declining. But Revlon Inc. was to blame on Thursday, she said.

"Thursday's culprit was Revlon," Ms. Latimer added. "The hottest sector is the rumor stocks and one of the most active and high-profile of that group has been Revlon."

In late activity, Revlon requested a trading halt pending an announcement to be made after the market closed. Expectations that the cosmetics and health care concern was about to announce a leveraged buyout cooled the activity in Revlon, Ms. Latimer said. That trend spread to other rumor stocks and to some blue chip and computer related stocks that had started to improve, she said.

### M-1 Falls \$400 Million

**NEW YORK** — The basic U.S. money supply measurement, M-1, fell \$400 million in late September, the Federal Reserve Board said Thursday. The decline had been anticipated.

M-1, which represents funds readily available for spending, comprises cash in circulation, deposits in checking accounts and non-bank travelers checks. The aggregate still remains well above the upper limits of the growth targets set by the Fed in its attempt to stimulate the economy without reviving inflation.

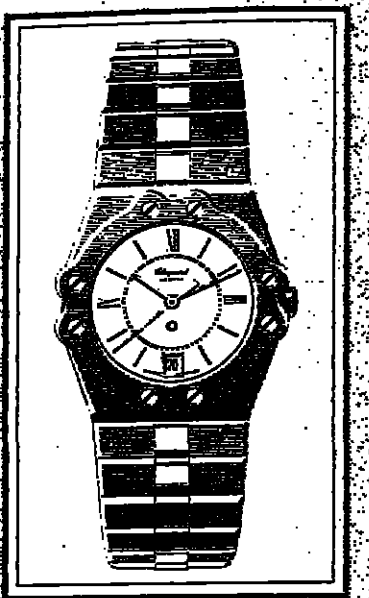
After the market closed, Revlon said it would be acquired by Forstmann & Little Co. in a leveraged buyout. Revlon has been trying to counter a hostile takeover bid from Pantry Pride.

Revlon declined 3/4 to 54.

Traders said confusion and concern characterize the market outside of the takeover spotlight. "Everybody's earnings are coming in weaker than expected and even though some of this has been discounted by the market already, the market reacts negatively when the earnings are actually announced," said Peter Feinman, a partner and block trader for Montgomery Securities.

"Since then, investors have been receiving very disappointing news on corporate earnings, the factor that really drives the stock market," he said.

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| 12 Month High Low Stock Div. Yld. PE St. 100 High Low Close |         |         |         |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |

| 12 Month High Low Stock Div. Yld. PE St. 100 High Low Close |         |         |         |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |

| 12 Month High Low Stock Div. Yld. PE St. 100 High Low Close |         |         |         |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |

| 12 Month High Low Stock Div. Yld. PE St. 100 High Low Close |         |         |         |         |         |         |         |         |         |         |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |
| 1222.21   | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 | 1222.21 |

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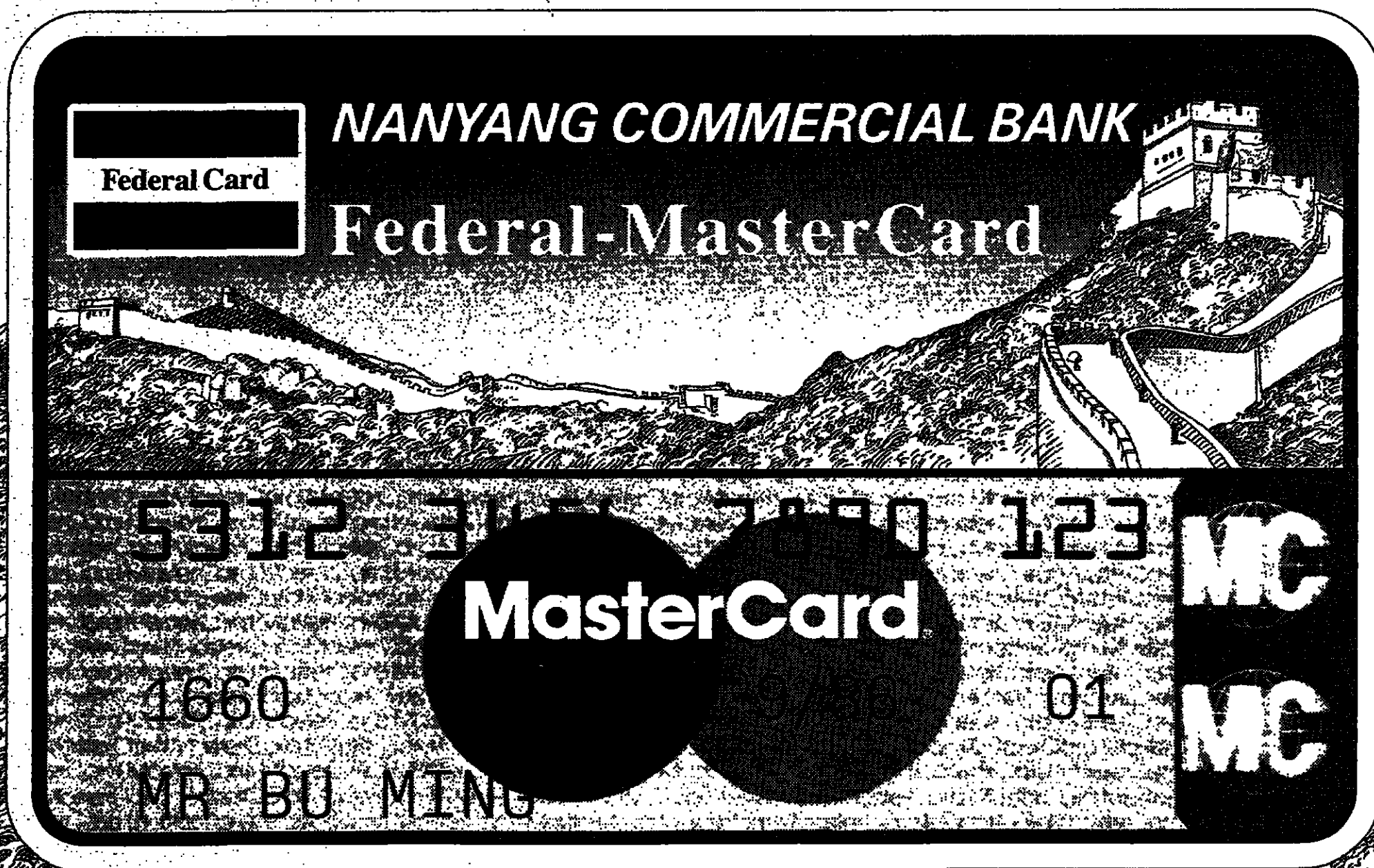








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| 12 Month |     |       | Div. Yld. |  | PE |  | Sis 100% High Low |  | Close |  | Qual | Chg |
|----------|-----|-------|-----------|--|----|--|-------------------|--|-------|--|------|-----|
| High     | Low | Stock |           |  |    |  |                   |  |       |  |      |     |

[illegible]

|     |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      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|-----|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|--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| 24% | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 | 2102 | 2103 | 2104 | 2105 | 2106 | 2107 | 2108 | 2109 | 2110 | 2111 | 2112 | 2113 | 2114 | 2115 | 2116 | 2117 | 2118 | 2119 | 2120 | 2121 | 2122 | 2123 | 2124 | 2125 | 2126 | 2127 | 2128 | 2129 | 2130 | 2131 | 2132 | 2133 | 2134 | 2135 | 2136 | 2137 | 2138 | 2139 | 2140 | 2141 | 2142 | 2143 | 2144 | 2145 | 2146 | 2147 | 2148 | 2149 | 2150 | 2151 | 2152 | 2153 | 2154 | 2155 | 2156 | 2157 | 2158 | 2159 | 2160 | 2161 | 2162 | 2163 | 2164 | 2165 | 2166 | 2167 | 2168 | 2169 | 2170 | 2171 | 2172 | 2173 | 2174 | 2175 | 2176 | 2177 | 2178 | 2179 | 2180 | 2181 | 2182 | 2183 | 2184 | 2185 | 2186 | 2187 | 2188 | 2189 | 2190 | 2191 | 2192 | 2193 | 2194 | 2195 | 2196 | 2197 | 2198 | 2199 | 2200 | 2201 | 2202 | 2203 | 2204 | 2205 | 2206 | 2207 | 2208 | 2209 | 2210 | 2211 | 2212 | 2213 | 2214 | 2215 | 2216 | 2217 | 2218 | 2219 | 2220 | 2221 | 2222 | 2223 | 2224 | 2225 | 2226 | 2227 | 2228 | 2229 | 2230 | 2231 | 2232 | 2233 | 2234 | 2235 | 2236 | 2237 | 2238 | 2239 | 2240 | 2241 | 2242 | 2243 | 2244 | 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 2292 | 2293 | 2294 | 2295 | 2296 | 2297 | 2298 | 2299 | 2300 | 2301 | 2302 | 2303 | 2304 | 2305 | 2306 | 2307 | 2308 | 2309 | 2310 | 2311 | 2312 | 2313 | 2314 | 2315 | 2316 | 2317 | 2318 | 2319 | 2320 | 2321 | 2322 | 2323 | 2324 | 2325 | 2326 | 2327 | 2328 | 2329 | 2330 | 2331 | 2332 | 2333 | 2334 | 2335 | 2336 | 2337 | 2338 | 2339 | 2340 | 2341 | 2342 | 2343 | 2344 | 2345 | 2346 | 2347 | 2348 | 2349 | 2350 | 2351 | 2352 | 2353 | 2354 | 2355 | 2356 | 2357 | 2358 | 2359 | 2360 | 2361 | 2362 | 2363 | 2364 | 2365 | 2366 | 2367 | 2368 | 2369 | 2370 | 2371 | 2372 | 2373 | 2374 | 2375 | 2376 | 2377 | 2378 | 2379 | 2380 | 2381 | 2382 | 2383 | 2384 | 2385 | 2386 | 2387 | 2388 | 2389 | 2390 | 2391 | 2392 | 2393 | 2394 | 2395 | 2396 | 2397 | 2398 | 2399 | 2400 | 2401 | 2402 | 2403 | 2404 | 2405 | 2406 | 2407 | 2408 | 2409 | 2410 | 2411 | 2412 | 2413 | 2414 | 2415 | 2416 | 2417 | 2418 | 2419 | 2420 | 2421 | 2422 | 2423 | 2424 | 2425 | 2426 | 2427 | 2428 | 2429 | 2430 | 2431 | 2432 | 2433 | 2434 | 2435 | 2436 | 2437 | 2438 | 2439 | 2440 | 2441 | 2442 | 2443 | 2444 | 2445 | 2446 | 2447 | 2448 | 2449 | 2450 | 2451 | 2452 | 2453 | 2454 | 2455 | 2456 | 2457 | 2458 | 2459 | 2460 | 2461 | 2462 | 2463 | 2464 | 2465 | 2466 | 2467 | 2468 | 2469 | 2470 | 2471 | 2472 | 2473 | 2474 | 2475 | 2476 | 2477 | 2478 | 2479 | 2480 | 2481 | 2482 | 2483 | 2484 | 2485 | 2486 | 2487 | 2488 | 2489 | 2490 | 2491 | 2492 | 2493 | 2494 | 2495 | 2496 | 2497 | 2498 | 2499 | 2500 | 2501 | 2502 | 2503 | 2504 | 2505 | 2506 | 2507 | 2508 | 2509 | 2510 | 2511 | 2512 | 2513 | 2514 | 2515 | 2516 | 2517 | 2518 | 2519 | 2520 | 2521 | 2522 | 2523 | 2524 | 2525 | 2526 | 2527 | 2528 | 2529 | 2530 | 2531 | 2532 | 2533 | 2534 | 2535 | 2536 | 2537 | 2538 | 2539 | 2540 | 2541 | 2542 | 2543 | 2544 | 2545 | 2546 | 2547 | 2548 | 2549 | 2550 | 2551 | 2552 | 2553 | 2554 | 2555 | 2556 | 2557 | 2558 | 2559 | 2560 | 2561 | 2562 | 2563 | 2564 | 2565 | 2566 | 2567 | 2568 | 2569 | 2570 | 2571 | 2572 | 2573 | 2574 | 2575 | 2576 | 2577 | 2578 | 2579 | 2580 | 2581 | 2582 | 2583 | 2584 | 2585 | 2586 | 2587 | 2588 | 2589 | 2590 | 2591 | 2592 | 2593 | 2594 | 2595 | 2596 | 2597 | 2598 | 2599 | 2600 | 2601 | 2602 | 2603 | 2604 | 2605 | 2606 | 2607 | 2608 | 2609 | 2610 | 2611 | 2612 | 2613 | 2614 | 2615 | 2616 | 2617 | 2618 | 2619 | 2620 | 2621 | 2622 | 2623 | 2624 | 2625 | 2626 | 2627 | 2628 | 2629 | 2630 | 2631 | 2632 | 2633 | 2634 | 2635 | 2636 | 2637 | 2638 | 2639 | 2640 | 2641 | 2642 | 2643 | 2644 | 2645 | 2646 | 2647 | 2648 | 2649 | 2650 | 2651 | 2652 | 2653 | 2654 | 2655 | 2656 | 2657 | 2658 | 2659 | 2660 | 2661 | 2662 | 2663 | 2664 | 2665 | 2666 | 2667 | 2668 | 2669 | 2670 | 2671 | 2672 | 2673 | 2674 | 2675 | 2676 | 2677 | 2678 | 2679 | 2680 | 2681 | 2682 | 2683 | 2684 | 2685 | 2686 | 2687 | 2688 | 2689 | 2690 | 2691 | 2692 | 2693 | 2694 | 2695 | 2696 | 2697 | 2698 | 2699 | 2700 | 2701 | 2702 | 2703 | 2704 | 2705 | 2706 | 2707 | 2708 | 2709 | 2710 | 2711 | 2712 | 2713 | 2714 | 2715 | 2716 | 2717 | 2718 | 2719 | 2720 | 2721 | 2722 | 2723 | 2724 | 2725 | 2726 | 2727 | 2728 | 2729 | 2730 | 2731 | 2732 | 2733 | 2734 | 2735 | 2736 | 2737 | 2738 | 2739 | 2740 | 2741 | 2742 | 2743 | 2744 | 2745 | 2746 | 2747 | 2748 | 2749 | 2750 | 2751 | 2752 | 2753 | 2754 | 2755 | 2756 | 2757 | 2758 | 2759 | 2760 | 2761 | 2762 | 2763 | 2764 | 2765 | 2766 | 2767 | 2768 | 2769 | 2770 | 2771 | 2772 | 2773 | 2774 | 2775 | 2776 | 2777 | 2778 | 2779 | 2780 | 2781 | 2782 | 2783 | 2784 | 2785 | 2786 | 2787 | 2788 | 2789 | 2790 | 2791 | 2792 | 2793 | 2794 | 2795 | 2796 | 2797 | 2798 | 2799 | 2800 | 2801 | 2802 | 2803 | 2804 | 2805 | 2806 | 2807 | 2808 | 2809 | 2810 | 2811 | 2812 | 2813 | 2814 | 2815 | 2816 | 2817 | 2818 | 2819 | 2820 | 2821 | 2822 | 2823 | 2824 | 2825 | 2826 | 2827 | 2828 | 2829 | 2830 | 2831 | 2832 | 2833 | 2834 | 2835 | 2836 | 2837 | 2838 | 2839 | 2840 | 2841 | 2842 | 2843 | 2844 | 2845 | 2846 | 2847 | 2848 | 2849 | 2850 | 2851 | 2852 | 2853 | 2854 | 2855 | 2856 | 2857 | 2858 | 2859 | 2860 | 2861 | 2862 | 2863 | 2864 | 2865 | 2866 | 2867 | 2868 | 2869 | 2870 | 2871 | 2872 | 2873 | 2874 | 2875 | 2876 | 2877 | 2878 | 2879 | 2880 | 2881 | 2882 | 2883 | 2884 | 2885 | 2886 | 2887 | 2888 | 2889 | 2890 | 2891 | 2892 | 2893 | 2894 | 2895 | 2896 | 2897 | 2898 | 2899 | 2900 | 2901 | 2902 | 2903 | 2904 | 2905 | 2906 | 2907 | 2908 | 2909 | 2910 | 2911 | 2912 | 2913 | 2914 | 2915 | 2916 | 2917 | 2918 | 2919 | 2920 | 2921 | 2922 | 2923 | 2924 | 2925 | 2926 | 2927 | 2928 | 2929 | 2930 | 2931 | 2932 | 2933 | 2934 | 2935 | 2936 | 2937 | 2938 | 2939 | 2940 | 2941 | 2942 | 2943 | 2944 | 2945 | 2946 | 2947 | 2948 | 2949 | 2950 | 2951 | 2952 | 2953 | 2954 | 2955 | 2956 | 2957 | 2958 | 2959 | 2960 | 2961 | 2962 | 2963 | 2964 | 2965 | 2966 | 2967 | 2968 | 2969 | 2970 | 2971 | 2972 | 2973 | 2974 | 2975 | 2976 | 2977 | 2978 | 2979 | 2980 | 2981 | 2982 | 2983 | 2984 | 2985 | 2986 | 2987 | 2988 | 2989 | 2990 | 2991 | 2992 | 2993 | 2994 | 2995 | 2996 | 2997 | 2998 | 2999 | 3000 |
| 24% | 1960 | 1961 | 1962 | 1963 | 1964 | 1965 | 1966 | 1967 | 1968 | 1969 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 | 2049 | 2050 | 2051 | 2052 | 2053 | 2054 | 2055 | 2056 | 2057 | 2058 | 2059 | 2060 | 2061 | 2062 | 2063 | 2064 | 2065 | 2066 | 2067 | 2068 | 2069 | 2070 | 2071 | 2072 | 2073 | 2074 | 2075 | 2076 | 2077 | 2078 | 2079 | 2080 | 2081 | 2082 | 2083 | 2084 | 2085 | 2086 | 2087 | 2088 | 2089 | 2090 | 2091 | 2092 | 2093 | 2094 | 2095 | 2096 | 2097 | 2098 | 2099 | 2100 | 2101 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| 2245 | 2246 | 2247 | 2248 | 2249 | 2250 | 2251 | 2252 | 2253 | 2254 | 2255 | 2256 | 2257 | 2258 | 2259 | 2260 | 2261 | 2262 | 2263 | 2264 | 2265 | 2266 | 2267 | 2268 | 2269 | 2270 | 2271 | 2272 | 2273 | 2274 | 2275 | 2276 | 2277 | 2278 | 2279 | 2280 | 2281 | 2282 | 2283 | 2284 | 2285 | 2286 | 2287 | 2288 | 2289 | 2290 | 2291 | 229  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      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[illegible]

| High | Low | Open | High | Low | Close | Chg. |
|------|-----|------|------|-----|-------|------|
|------|-----|------|------|-----|-------|------|

[illegible][illegible][illegible]

|     |          |         |      |      |      |      |
|-----|----------|---------|------|------|------|------|
| 700 | ASIA     | 3-month | 6.97 | 6.95 | 7.19 | 7.20 |
| 700 | 6-month  | 7.26    | 7.24 | 7.63 | 7.64 |      |
| 700 | One year | 7.41    | 7.39 | 7.96 | 7.97 |      |

Source: Solomon Brothers

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## Thai Airways to Buy 6 Planes

### Roasters

BANGKOK — Thai Airways International Ltd. has agreed to buy four additional A-300-600s from the European consortium Airbus Industrie, and two Boeing Co. 747-300s, for delivery between November 1986 and June 1989, airline executives said Thursday. No financial details were given.

[illegible]

Oct. 3

[illegible]

|     |     |     |
|-----|-----|-----|
| Jan | 710 | 760 |
| Feb | 700 | 730 |
| Mar | 690 | 740 |
| Apr | 685 | 735 |
| May | 680 | 730 |
| Jun | 675 | 725 |

Oct 3

|         |          |
|---------|----------|
| Close   | Previous |
| Bid Ask | Bid Ask  |

Volume: 8 lots of 25 tons

|   |        |        |        |
|---|--------|--------|--------|
| Source: Reuters.  |        |        |        |
| <div> <div>S&amp;P 100</div> <div>Index Op</div> </div> |        |        |        |
| Price Jan   | 675.29 | 694.00 | 696.50 |
| High Jan  | 712.58 | 718.00 | 718.00 |
| Low Jan   | 658.00 | 660.00 | 660.00 |
| Open Jan  | 675.29 | 694.00 | 696.50 |
| Close Jan   | 675.29 | 694.00 | 696.50 |
| Settle Jan  | 675.29 | 694.00 | 696.50 |
| Open Feb  | 675.29 | 694.00 | 696.50 |
| Close Feb   | 675.29 | 694.00 | 696.50 |
| Settle Feb  | 675.29 | 694.00 | 696.50 |
| Open Mar  | 675.29 | 694.00 | 696.50 |
| Close Mar   | 675.29 | 694.00 | 696.50 |
| Settle Mar  | 675.29 | 694.00 | 696.50 |
| Open Apr  | 675.29 | 694.00 | 696.50 |
| Close Apr   | 675.29 | 694.00 | 696.50 |
| Settle Apr  | 675.29 | 694.00 | 696.50 |
| Open May  | 675.29 | 694.00 | 696.50 |
| Close May   | 675.29 | 694.00 | 696.50 |
| Settle May  | 675.29 | 694.00 | 696.50 |
| Open Jun  | 675.29 | 694.00 | 696.50 |
| Close Jun   | 675.29 | 694.00 | 696.50 |
| Settle Jun  | 675.29 | 694.00 | 696.50 |
| Open Jul  | 675.29 | 694.00 | 696.50 |
| Close Jul   | 675.29 | 694.00 | 696.50 |
| Settle Jul  | 675.29 | 694.00 | 696.50 |
| Open Aug  | 675.29 | 694.00 | 696.50 |
| Close Aug   | 675.29 | 694.00 | 696.50 |
| Settle Aug  | 675.29 | 694.00 | 696.50 |
| Open Sep  | 675.29 | 694.00 | 696.50 |
| Close Sep   | 675.29 | 694.00 | 696.50 |
| Settle Sep  | 675.29 | 694.00 | 696.50 |
| Open Oct  | 675.29 | 694.00 | 696.50 |
| Close Oct   | 675.29 | 694.00 | 696.50 |
| Settle Oct  | 675.29 | 694.00 | 696.50 |
| Open Nov  | 675.29 | 694.00 | 696.50 |
| Close Nov   | 675.29 | 694.00 | 696.50 |
| Settle Nov  | 675.29 | 694.00 | 696.50 |
| Open Dec  | 675.29 | 694.00 | 696.50 |
| Close Dec   | 675.29 | 694.00 | 696.50 |
| Settle Dec  | 675.29 | 694.00 | 696.50 |

Source: Solomon Brothers

**BANGKOK** — Thai Airways International Ltd. has agreed to buy four additional A-300-600s from the European consortium Airbus Industrie, and two Boeing Co. 747-300s, for delivery between November 1986 and June 1989, airline executives said Thursday. No financial details were given.

| Offer | Size | Yield | Price | Yield |
|-------|------|-------|-------|-------|
|       |      |       |       |       |

|      |      |      |      |      |
|------|------|------|------|------|
| th   | 6.97 | 6.95 | 7.19 | 7.21 |
| min  | 7.26 | 7.24 | 7.63 | 7.61 |
| year | 7.41 | 7.39 | 7.96 | 7.94 |

Source: Solomon Brothers

## International Investors

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.



## Sun to Restructure as a Partnership

United Press International

RADNOR, Pennsylvania — Sun Co. said Thursday that it had approved a four-part corporate restructuring that will include the creation of a master limited partnership containing most of its domestic oil and gas properties.

The company said it would take a \$275-million charge against third-quarter earnings to reflect the cost of the restructuring, which will include the sale of some units.

The four-part program approved by the board also calls for raising the annual dividend on common stock by 70 cents in January and accelerating the annual rate of the share-repurchase program to about \$200 million, according to Sun's chief executive officer, Robert McClements.

## Xerox Closes Insurance Firm, Takes \$160-Million Charge

The Associated Press

STAMFORD, Connecticut — Xerox Corp. announced plans Thursday to close one of its Crum & Forster Inc. insurance subsidiaries and take a \$160-million, after-tax charge against third-quarter earnings.

The charge will be nearly twice the \$81.3 million Xerox earned during the third quarter of 1984, leading some Wall Street analysts to predict the company would post a third-quarter loss. One analyst said the loss could run as high as \$67 million.

Xerox's last quarterly loss was \$12 million, or 26 cents per share, in the 1984 fourth quarter. A Xerox spokesman said his company would not project its third-quarter 1985 earnings, due Oct. 29.

David T. Kearns, chairman and chief executive officer of Xerox, said the company is phasing out the operations of Industrial Indemnity

The after-tax charge against third-quarter earnings principally relates to provisions for losses on the planned disposition of selected oil, gas and energy mineral assets.

"We strongly believe that this course of action will be in the best interests of our current shareholders because of our plans to increase the cash dividend on common stock and also to accelerate our share repurchase program," Mr. McClements said.

"Furthermore, we intend to vigorously continue our commitment to increasing both the quantity and the profitability of our energy reserve base through exploration, development and selective acquisitions."

Mr. McClements said he hoped to raise about \$200 million by the

## Continental Air Wins Latest Round in Court

The Associated Press

ROUSTON — A U.S. federal bankruptcy judge granted Thursday a request by Continental Airlines for rejection of \$1.4 billion in claims by striking pilots and flight attendants, as well as allegations that the employees were wrongfully dismissed.

Members of the Air Line Pilots Association walked out Oct. 1, 1983 after the airline, seeking protection from creditors under Chapter 11, slashed wages up to 50 percent.

## Hoesch Forges Steel Success Without Subsidy

(Continued from Page 11)

Confidence in Hoesch and Thyssen have led to a significant rise in share prices, with Hoesch climbing to levels around 140 DM from 96 DM at the beginning of the year.

Hoesch's Mr. Rohwedder and other West German steel managers have seen the writing on the wall of the extension into next year of at least \$8 billion in EC-approved subsidies to mostly state-owned steel groups in France, Belgium and Italy appears inevitable. They are moving fast to limit the damage.

The European Community agreed to a Dec. 31, 1985, deadline for steel subsidies, but now appears to be moving toward a limited extension that would allow state aid to help offset costs in plant closures.

A recent report by the IFO Economic Research Institute in Munich said the West German steel industry would be forced to cut 37 percent of its output and 32,000 employees if Bonn did not match grants provided by other EC states. It said West German producers are one of the few European companies to

## National Loss Underscores Industry's Slump

By Andrew Pollack

New York Times Service

SAN FRANCISCO — Only days after its trade association predicted that business would soon improve, the semiconductor industry is demonstrating again this week the effects of a yearlong depression.

National Semiconductor Corp. reported Wednesday a loss of \$53.5 million for its first fiscal quarter, the largest in its history and the worst so far in the industry's slump.

The report followed announcements earlier this week of austerity measures that included pay cuts by Intel Corp. and layoffs and salary reductions by the semiconductor operations of Motorola Inc.

The industry that makes the silicon chips used in computers and other electronic equipment has been mired in a slump caused by persistent excess inventories, slowing computer sales, and severe competition from Japan.

As for the outlook for a turnaround, "it's like waiting for Godot," said John J. Lazo Jr., semiconductor industry analyst for Morgan Stanley & Co. "I don't look for any material improvement over the short term."

Charles E. Spork, National Semiconductor's president and chief executive, appeared to agree in his statement Wednesday: "We have recently experienced a marginal improvement in semiconductor order rates," he said. "But until we have a significant and sustained

improvements in those rates, our financial performance will continue to suffer."

National's loss, which had been expected, compares with a profit of \$35.9 million, or 40 cents a share, in the first fiscal quarter of last year. Revenues in the 1985 quarter, which ended Sept. 22, plunged 20 percent, to \$423.4 million, from \$529 million.

National, based in Santa Clara, California, also said it would close its operations for seven days during Christmas to save money. The company this year has already laid off 1,300 in the United States and others overseas.

Analysts expect virtually all other semiconductor companies to report operating losses for the third calendar quarter and some to report losses for the fourth quarter as well.

National's loss is large because of its reliance on commodity products that have been affected most by price wars, and because of heavy expenditures on modernizing facilities. Third-quarter losses for companies such as Intel and Advanced Micro Devices might be offset by interest income or tax credits, while semiconductor losses for Texas Instruments and Motorola might be counterbalanced by earnings from other operations.

All the companies are all acting to reduce losses. Intel recently instituted pay cuts of 4 to 8 percent for its entire U.S. work force and said it would shut its operations for

## RÈGLEMENT DE GESTION DU FONDS PAROIL FUND

Modification de l'Article 17

Article 17: Garantie.

— Compagnie de Participations et d'Investissements Holding S.A., Luxembourg.  
— Paribas Asset Management Inc., New York, en qualité d'administrateur de la Société de Gestion, et  
— Banque Paribas (Luxembourg) S.A., Luxembourg, en qualité de Banque Dépositaire.

garantisent conjointement et solidairement l'observation par la Société de Gestion de toutes les clauses et conditions du présent Règlement. La Banque Dépositaire garantit l'accomplissement de ses devoirs et obligations conformément au présent Règlement de Gestion.

Fait à Luxembourg.

Pour Paroil Management Company S.A.

## NOTICE OF ADJOURNED ANNUAL GENERAL MEETING

## FIDELITY DISCOVERY FUND

Société d'Investissement à Capital Variable  
37 rue Notre-Dame, Luxembourg R.C. Luxembourg B 22250

Notice is hereby given that the adjourned Annual General Meeting of the Shareholders of FIDELITY DISCOVERY FUND, a Société d'investissement à capital variable, organized under the laws of the Grand Duchy of Luxembourg (the "Fund"), will now be held at the principal and registered office of the Fund, 37 rue Notre-Dame, Luxembourg, at 11.00 a.m. on October 16, 1985, specifically, but without limitation, for the following purposes:

1. Presentation of the Report of the Board of Directors;
2. Presentation of the Report of the Statutory Auditor;
3. Approval of the balance sheet at April 30, 1985 and income statement for the period ending April 30, 1985;
4. Discharge of Board of Directors and the Statutory Auditor;
5. Election of six (6) Directors, specifically the re-election of all present Directors, Messrs. Edward C. Johnson 3rd, William L. Byrnes, Charles A. Fraser, Hissail Kurekawa, John M. S. Paton, and Finimatus;
6. Election of the Statutory Auditor, specifically the re-election of the present Statutory Auditor, Maurice J. Segrant;
7. Declaration of a cash dividend to the

Shareholders, and authorization of the Board of Directors to declare further dividends in respect of fiscal year 1985 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.

Approval of the above items on the Agenda will require the affirmative vote of a majority of the shares present or represented at the meeting, with a minimum number of shares required to be present or represented at the Meeting in order to establish a quorum. Subject to the limitations imposed by law and the Articles of Organization of the Fund, each share entitled to one vote. A shareholder may act as any meeting by proxy.

By order of the Board of Directors

Dated: 17th September, 1985

## Floating-Rate Notes

Oct. 3

Dollar

Issuer/Rate

Compensated - Bid Ask

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## CURRENCY MARKETS

## Dollar Ends Sharply Lower in New York

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed sharply lower in New York on Thursday on signs of concerted intervention, dealers said.

Several traders said they believed that European and U.S. central banks sold a modest amount of dollars earlier in the day.

"The central banks are clearly demonstrating that downside risk for the dollar remains great," a U.S. trader remarked.

The dollar ended at 2.6200 Deutsche marks in New York, its lowest level in about 16 months, compared with 2.6520 on Wednesday.

Earlier in London, the U.S. unit ended at 2.6225 DM after drifting most of the day around its opening 2.6470 DM and a close on Wednesday at 2.6470 DM. In Frankfurt, the dollar was fixed at mid-afternoon at 2.6459 DM, up from 2.6410 DM previously.

The Bundesbank sold \$29.3 million at the midday fix. West German dealers said this showed that the government was continuing its policy of maintaining a higher profile since the Group of Five nations' meeting last month.

Reports that the Group of Five have decided to further depress the U.S. currency pressured the U.S. unit, dealers said.

Gary Dorsch, senior money market analyst at G.H. Miller & Co. in Chicago, said traders were worried that "there may be some additional follow-up moves to help strengthen non-dollar currencies" when senior officials of the International Monetary Fund meet this weekend in Seoul.

"It is just speculation, but it is moving the markets," Mr. Dorsch said.

The British pound gained strongly against the dollar in New York, closing at \$1.4260 from \$1.4170 on Wednesday. The dollar finished at 8.0100 French francs, down from 8.0925 francs; and at 2.1420 Swiss francs, down from 2.1595 francs.

The dollar was mixed in Europe, but fell to its lowest closing levels against some currencies since April 1984 after a late burst of selling, dealers said. Most of the sudden selling seemed to originate from the United States.

The dollar lost ground against the yen in London, falling to 212.55

yen from 213.50 at the opening and 213.80 on Wednesday. Earlier in Tokyo, the dollar ended at 213.70 yen, down from 213.90 yen.

Although in the long term the dollar's direction seemed to be downwards, its short term course was more unpredictable, most European traders agreed. "The dollar is virtually rudderless. There is no clear idea where it is going," a trader at a London bank commented.

The British pound firmed against the dollar in London to close at \$1.4251, from \$1.4155 on Wednesday. There are no major factors affecting sterling at the moment, according to traders.

They said that news on oil prices emanating from this week's meeting in Vienna of oil ministers from the Organization of Petroleum Exporting Countries is being largely ignored.

In other European markets, the dollar was fixed in Paris at 8.0735 French francs, up from 8.054 francs; and ended at 2.1445 Swiss francs in Zurich, down from 2.1565 francs.

(Reuters, AP)

## Pretoria Ends Nonresident Remittance In Move to Help End Flight of Capital

Reuters

PRETORIA — The South African central bank said Thursday that profits or income earned before Jan. 1, 1984, or dividends based on these earnings, can no longer be automatically remitted to nonresidents, effective Sept. 30.

Economists say the restrictions are intended to prevent a devious flight of capital and plug a possible loophole in the four-month debt repayment standstill.

The Reserve Bank said in an exchange-control circular that the rule applies to funds of a capital nature such as the sale of assets or profits from the revaluation of assets.

A bank official said approval for the forbidden remittances could be sought from the bank.

The economists noted that foreign companies will still be able to sell off all or part of their assets in South Africa and repatriate the proceeds.

## OPEC Fails to Set Quota Pact

(Continued from Page 11)

country, struggling to repay about \$8 billion of foreign debt, has been producing around 100,000 barrels a day above its quota of 183,000 and wants OPEC to "regularize" the higher level.

"It's the honor of the country that is important," Mr. Santos said. Last spring, OPEC sent a letter to Ecuador and some other members scolding them for overproducing.

But Ecuador and other relatively poor members of OPEC contend that the quota system is highly unfair. The system, adopted in early 1983 in an attempt to stop a plunge in oil prices, froze each member's agreed-upon output at about the levels then prevailing.

Most members accepted a further small cut in quotas in October 1984 when OPEC reduced its overall ceiling to 16 million from 17.5 million.

The poorer members have been pressing for a system that would base output quotas on population and other measures of financial need. Such a system would imply deep cuts for such lightly populated countries as Saudi Arabia, Kuwait, the UAE and Qatar.

Sheikh Ahmed Zaki Yamani, Saudi Arabia's minister, said his country was producing about 3 million barrels a day. That is well below the Saudi quota of 4.35 million.

## Electronic Imaging's Future

(Continued from Page 11)

million to 16 million picture elements. "Only recently, as memory has gotten less expensive, has this become possible on PCs," said Sharon Kramer of Compucan, a New Jersey competitor of Data-

actors. The company plans to sell a \$200 infrared scanner for personal computers, and has convinced several book publishers and magazines to publish computer programs for hobbyists in strip form.

"For the publishers, the cost is low: printing the strip is like printing a picture," said Neil Kleinfeld, a vice president of the company, noting that including disks in computer magazines has proved an expensive way to distribute software.

Moreover, he said, the strips are subject to far fewer errors than optical character readers. "Best of all," Mr. Kleinfeld added, "you can spill coffee on the strip—it won't make any difference."

## BUSINESS PEOPLE

## Merrill Names Lord Weinstock to Council

By Brenda Erdmann

International Herald Tribune  
LONDON — Merrill Lynch & Co. has appointed a top British executive to its advisory council. The New York-based financial-services concern said Lord Weinstock, 61, managing director of General Electric Co. of Britain, has been invited to join the council, bringing its membership to six.

The only other European on the council is Jean-Yves Haberer, chairman and chief executive officer of Banque Paribas.

William P. Rogers, chairman of the advisory council, said the group was formed in 1984 to advise Merrill Lynch on a broad range of issues. Lord Weinstock, who has been managing director of the British electrical and electronics giant since 1963, will be a "valued member of the council because of the breadth and scope of his knowledge of conditions in the United Kingdom and Europe," Mr. Rogers said.

Credit Suisse First Boston Ltd. said that Karl Miesel will join the bank as a senior member of the board beginning Jan. 2. In addition to his general business activities for the CSFB group, Mr. Miesel will be in charge of the bank's investment in CSFB-Effekten Bank in Frankfurt. This summer, Mr. Miesel abruptly left his post as a managing director of Deutsche Bank Capital Markets, Deutsche Bank AG's newly created London unit.

Nixdorf Computer AG has named Herman Valk as regional manager for Northern Europe. Based in London, Mr. Valk will oversee the West German computer maker's operations in Finland, the Netherlands, Belgium, Luxembourg, Ireland and Britain. He succeeds Albert Holler, who has been promoted to the main board of the parent concern. Mr. Valk's successor as managing director of Nixdorf Computer Ltd., the British arm, is yet to be named.

LTCB International Ltd. in London has named Hideo Yamagishi managing director, succeeding Tohshi Itoh, who is returning to the Tokyo head office of the parent, Long-Term Credit Bank of Japan Ltd. Mr. Yamagishi formerly



Lord Weinstock

was general manager of Long-Term Credit Bank's Los Angeles office. Westpac Banking Corp. has named Peter Brind general manager of its European division, which is based in London. He succeeds David Murison, who also serves as chairman of the London board of directors. Mr. Murison will retire early next year, but will remain as nonexecutive chairman. Harvey Garnett, who currently is chief manager, credit policy and control,

in the Sydney head office, will become chief manager of the European division, succeeding Mr. Brind.

Wang Laboratories Inc., the U.S. computer maker, has named Pierre Melis to the new post of country manager for Spain. The appointment follows Wang's move to gain full ownership of Wang Espana SA, which was created in 1982 as a joint-venture distributor of Wang products in Spain. Previously, Mr. Melis was marketing manager for Wang Belgium, a post in which he is succeeded by Jo Lernout.

Balco AB, the Swedish engineering group, has appointed Per Sandberg chief financial officer, succeeding Ralph Hammar, who is joining Falubus Drabanten as chief executive and managing director. Mr. Sandberg was finance director of Svenska Varv AB, the Swedish state-owned shipyard group.

Engas, the Spanish national gas company, has named Juan Badosa chairman. Mr. Badosa was director-general for trade policy at the economy and finance ministry.

Cambridge Instrument Co. of Britain said Roy Cottrell took over as group managing director on Oct. 1, succeeding Terence Gooding, who continues as executive chairman. Mr. Cottrell was managing director of GEC Australia Ltd., a post in which he was succeeded by R.G. Elliot.

## U.K. Replaces MacGregor as Coal Chief

The Associated Press

LONDON — Ian MacGregor, the American businessman who is in charge of Britain's coalfields, will be replaced when his contract expires next September, Energy Secretary Peter Walker announced Thursday.

The chief of British Steel, Sir Robert Haslam, will take over as Coal Board chairman in September 1986, but will work alongside Mr. MacGregor as a nonexecutive deputy chairman from next month, Mr. Walker said in a statement.

Mr. MacGregor was appointed head of the state-owned National Coal Board in 1983. The National Union of Mineworkers called him a hatchet man bent on demolishing the ailing coal industry.

A former chairman of the American metals giant, Amex Inc., Mr. MacGregor, 73, was hired by the British government in 1980 to trim the state-owned steel industry. He promptly cut its losses by halving its work force.

When Prime Minister Margaret Thatcher appointed him Coal Board chairman, Arthur Scargill, leader of the National Union of Mineworkers, warned of trouble, and he later led his miners out on a crippling strike.

Mr. Walker stressed that Mr. MacGregor would remain chairman until his contract runs out. "It is important for the industry to know there is somebody in place," Mr. Walker said of Mr. MacGregor's successor, who was given a three-year contract.

## THE EUROMARKETS

## New Yen Floating-Rate Note Is Expected

By Christopher Pizzey

LONDON — With the dollar-denominated Eurobond market remaining nervous, dealers said Thursday that they expect the reopening soon of the Euroyen floating-rate-note market following Tuesday's inauguration of a Euro-lira market.

Bond market sources said that a 15-billion-yen floating-rate note may emerge as soon as Friday for France's Caisse Nationale des Telecommunications. The sources expect the issue to have a 12-year maturity and pay 1/16 point over the six-month London interbank offered rate for yen.

The sources said they expect the issue to be priced at 100.10 and to be introduced in tandem with a Euroyen straight bond.

Traders note that the first ever Euroyen floater, a 15-billion-yen note for Credit Foncier, is currently trading above par at 100.23. It was launched in July and also pays 1/16 point over six-month Libor.

The most successful new issue Thursday was a \$100-million floating-rate note issued by Credit du Nord on its own behalf. The issue pays 1/16 point over three-month Libor. It ended above its par issue price at 100.02 percent.

Secondary market prices in the dollar floating-rate-note sector were generally a shade easier after a subdued day's trading, dealers said. Professionals were awaiting Thursday night's report on M-1, the narrowest measure of the U.S. money supply. M-1 was generally expected to decline \$100 million to \$500 million

among the Eurobond professionals.

The dollar-straight sector was also slightly lower in lethargic trading. Only one new issue was introduced during the day, a \$150-million bond for Nippon Credit Curacao Finance NV.

The 10-year issue pays 10% per cent over 10 years and was priced at 100%. Led by Salomon Brothers International, it ended at a discount of 2.

Cargill Inc. issued a 50-million-Euroyen-currency-unit bond paying 8% per cent over 10 years and priced at par. The bond was the company's first public issue in any market.

In other sectors, Japanese convertibles ended lower, with some issues dropping sharply.

## Thursday's OTC Prices

NASDAQ prices as of 3 p.m. New York time. Via The Associated Press

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## *The Meanest Cut of All*

main-  
tenance and repair."

"Wake up!" he cries. I obey. "Whoever did your last operation," he says, "ought to have his plumber's license revoked."

Rothenberg herself will not rush. She spends most of her studio time "sitting in a chair, looking at the painting." She says her

**Rothenberg and Mondrian in the potato field.**

outline, sometimes head-on, or in pieces. Minimalism then was still in vogue. Rothenberg was picking wisely for his first pictures — "the rule was keep it flat" when suddenly the animal began to stamp its shape on the flatness of her fields. Rothenberg can not tell you whether that strange beast was the dark horse of the nightmare, or the grand steed of the heroes, or the sweet colt of the spring, or all of these, or none.

Her horse pictures astonished. (Rubin purchased one of them.) They seemed to contradict themselves — and to prophesy the future. Half-depictive, half-abstract, half-fleshy and half-flat, they tied the restrained cool of

1970s New York art to the hotter figuration that was yet to come.

The course had since departed, but before ghosts appeared. The shade of Mondrian is one of them. The arrival in her art of that 20th-century master—who died in 1944—was completely unexpected. It happened late at night, she says. She was alone in her studio, feeling frustrated and blocked when, in exasperation, she told herself, "Damn it, do one drawing." She has described what happened next to *The New York Times*: "Within 30 seconds, Mondrian's face emerged. I wasn't intending to paint Mondrian. I was just moving my hand on the paper. It was like a Ouija board. All

the light that warms his neck is a peculiar vivid orange. Beyond the dark plowed earth, beyond that orange sunlight, the landscape turns to green. "Mondrianian hared green," says Rothenberg, "but I thought I ought to tease him. I used this ghastly green. But then — in fear — I fell back into black and white."

Though Rothenberg will tell you that she is "totally afraid of fear," one fear rules her painting.

## 85,000 Hail Springsteen As 15-Month Tour Ends

The country music star will perform in Jordan Jan. 4, in Galilee Jan. 6, and in Jerusalem Jan. 9, at the request of the governments of Israel and Jordan, his record company, Epic Records, said Wednesday. Skaggs, whose hits include "Country Boy," "Heartbroke" and "Highway 41 Blues," is a contender in six categories in the Country Music Association

**Richard C. Hottelet**, correspondent for CBS News at the United Nations for 25 years, is leaving the network to become public affairs counselor with the UN. Hottelet, 68, said he had taken early retirement and will assume his new duties in January.

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